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Parties neck and neck, says Patten

Major rules out 'horse-trading' with Ashdown

By Philip Webster, Chief Political Correspondent

WITH odds shortening on an autumn election, the prime minister yesterday ruled out any pact with the Liberal Democrats on electoral reform. He wanted nothing to do with the "horse-trading" that it engendered.

Paddy Ashdown wants a commitment to a new system of voting for MPs as the price of supporting either the Conservatives or Labour in a hung parliament. But Mr Major said that proportional representation left minority parties determining government policy and striking bargains for support. "That is not democracy, it is horse-trading and I will have no part of it," he told the Commons.

The prime minister's rejection of Mr Ashdown's terms was as peremptory as that of Labour's John Cunningham, who said on Sunday: "Don't call us. We won't call you. There will be no pacts, no deals." Both Conservative and Labour leaderships are refusing to give any credence to the Liberal Democrat demands, each claiming they can win outright without any deal.

With most MPs returning to Westminster convinced that an election will now come in the autumn or next year, the party leaders squared up in the Commons for a summer offensive while the strategists worked on tactics behind the scenes. A June election has not been officially ruled out, but most Conservatives are planning on the autumn or the early summer next year, in spite of Mr Major's known preference for seeking an early mandate. Tory MPs say that only an outstanding result at the Monmouth by-election next week would change the odds.

Chris Patten, the Tory chairman, gave an optimistic assessment of his party's chances at a Downing Street meeting of business managers, in spite of local election results that saw big advances for the other parties. A Central Office study of last Thursday's results showed the Conservatives to be running neck and neck with Labour nationally, he said.

Conservative strategists said privately that the local polls showed that the main battle was against Labour, in spite of the strong Liberal Democrat advance in areas where they had targeted parliamentary seats. That view was echoed among MPs, who appeared to be philosophical about the Liberal gains, which were a regular mid-term phenomenon, but alarmed by Labour's progress in the South.

Party tacticians believe, however, that the government will gain from the better economic news that is believed to be on the way and that it has "plenty of ammunition left", both in the announcement of Conservative policies for the next parliament and in an expansion of Labour's plans. Mr Major immediately went on the offensive in the Commons, attacking Labour's tax and education plans, while Neil Kinnock laid claim to the health service as the main election battleground. Mr Kinnock clashed angrily with

Mr Major over self-governing hospitals and tonight he will commit Labour to a growth target of some £20 billion over the life of a parliament, the money to be spent on health and public services.

Giving the *Community Care* journal's annual lecture, he will spell out Labour's proposals for achieving a "modern state of welfare", committing his party to abolishing the internal market in the health service and returning control of hospitals to health authority control. Mr Kinnock will say that an average economic growth rate of 2.5 per cent would, even without tax increases, generate £20 billion in revenue over the lifetime of a parliament. The resources would be used for health and other public services so that year-on-year underfunding could be reduced and the needs arising from increasing numbers of elderly people and changes in treatment were met.

Labour believes that health can replace the poll tax as the issue on which the government is most vulnerable. In the Commons, Mr Kinnock urged Mr Major to oppose systems in hospitals where "the patients of non-budget holding GPs have to wait longer and take second place, regardless of their clinical need". Mr Major insisted that operations were done on the basis of clinical need.

The prime minister then went on the attack over Labour's tax and education plans and his proposal to remove the ceiling on national insurance contributions. He said people were concerned about the disposable income they had in their pockets. Asked by a Conservative MP to extend choice in education, Mr Major said: "It is clear the Opposition don't like choice. Grant-maintained schools would go, city technology colleges would go, the assisted places scheme would go, charitable status for private schools would go, the existing A-levels would go and, with Labour's tax plans, most of the teachers would go too."

'Going soft', page 6
John Biffa, page 14

Beware the planners, prince tells Prague

From Alan Hamilton in Prague

WELCOMING Czechoslovakia back into the family of European nations, the Prince of Wales yesterday urged the citizens of Prague to avoid some of the greater evils of the capitalist West, such as architects and planners.

Prague is one of the greatest treasure houses of medieval and Gothic architecture in Europe and the prince, on his first visit, has professed himself breathless. But it is also beginning to sprout the high-rise hotels and other modernist complexes he abhors.

Addressing undergraduates in the 14th-century Charles University, surrounded by beards and professors in Tudor costume as though about to

enact Shakespeare, the prince described the city as one of the greatest and least-flawed jewels of European civilisation. "Obviously you cannot freeze Prague in a time-war. The challenge is how to plan for the future without sacrificing the unique character and cohesion of the city. One way to do this is not to consult the rigidly conventional planners and architects whose theories are increasingly out of step with the profound changes which are stirring in the depths of the human spirit," the prince said.

Warning of "siren voices" Continued on page 20, col 2

Photograph, page 11



Anger in the Adriatic: Croats trying to pull a Yugoslav army soldier from a personnel carrier during a demonstration by about 30,000 people in Split

Yugoslavia fears grow as army goes on alert

By Michael Binyon, Diplomatic Editor

AS THE Yugoslav army began calling up reservists to impose a state of emergency on the country, the Croatian president yesterday appealed to Britain and America to step in and mediate, while a key opposition leader gave a warning that Soviet hardliners could intervene in the unrest.

The Serbian opposition leader, Mr Vuk Draskovic, has also warned the West that some elements of the military in Moscow were attempting to use the crisis to intervene, oust President Gorbachev, provoke a new confrontation with the West and return to the cold war.

A flying visit to London by President Franjo Tudjman of Croatia was curtailed to a few hours yesterday because of the violence. It coincided with a Foreign Office warning to holidaymakers to stay away from Yugoslavia, where the



tourist industry on the Adriatic coast is facing collapse. President Tudjman said he now doubted whether civil war could be avoided. He would not hesitate to call in Western troops to defend Croatia if the republic was attacked by Serbia or the Yugoslav army.

He would appeal first to the Conference on Security and Co-operation in Europe. If this failed to guarantee Croatia's safety, he would ask for direct intervention by Western military forces, especially those of Britain and America. In 30-minute talks with Douglas Hurd, the foreign secretary, and a meeting with Mrs Thatcher, he called for international support. The latest round of violence in Yugoslavia has taken 18 lives and criticism of his government is increasing.

The 68-year-old president, elected last May, yesterday said the conflict was a battle between communism, attempting to make its last stand, and Western civilisation. He has repeatedly suggested that Moscow has been encouraging the Serbian communists. His accusations were backed up in Belgrade by the

Serbian Renewal Movement, the republic's biggest opposition group. "I have never been more frightened than now," said Mr Draskovic, who faces charges of inciting rebellion against the communist-dominated Serbian government. He pleaded with the European Community and the United States to use their financial power in a "last chance" to avert war.

He said the country's leaders had gambled away the chance for peace. War between Serbs and Croats would drag in Albania, Bulgaria, Italy and possibly Austria. "It would be a great opportunity for the Soviet military to overthrow President Gorbachev and Boris Yeltsin to intervene in the Balkans," he said.

The country's leaders held emergency talks on how to defuse the growing tension. The army went on full alert after a soldier was killed during a protest by about 30,000 people outside a naval base in Split. Diplomats said the army had now begun calling up reservists.

In an interview with *The Times*, President Tudjman said civil war could be avoided only if the Yugoslav army returned to barracks. The army, which was deployed in several parts of Croatia to prevent clashes with the Serbian minority, has given a warning that it will fire on anyone attacking troops or army vehicles.

Army ready, page 11
Diary, page 14
Leading article, page 15

US pulls forces out from southern Iraq

From Peter Stothard, US Editor, in Washington

BY tomorrow night the United States will have withdrawn its last forces from southern Iraq, Richard Cheney, the defence secretary, said yesterday. Their job of protecting the population in the demilitarized zone from President Saddam Hussein will be passed to a United Nations force of 1,440 men, charged with monitoring the ceasefire.

Mr Cheney said he was working hard to get all the troops home as soon as possible. The last air patrols over southern Iraq had been flown on Monday, Mr Cheney told reporters as he flew to Kuwait from Saudi Arabia. The bulk of the 3rd Armoured division would be withdrawn to Saudi Arabia leaving a single brigade of about 5,000 men in Kuwait "for the time being," he said.

Speaking yesterday on the second stop of a six-nation tour to discuss Gulf security, Mr Cheney insisted that the US had honoured its commitment not to abandon the refugees who had been sheltering with its occupying forces. According to US sources, the final thirty refugees were flown to the Saudi refugee camp at Rafha yesterday.

Trucks containing the last US forces began leaving Safwan in southern Iraq yesterday morning. Iraqi children lined the roadside waving American flags.

Mr Cheney told Sheikh Saad al-Sabah, the Kuwaiti crown prince, that US forces would remain in Kuwait "for months to come" but he repeated the American position that permanent ground forces would not be based in the region. The defence secretary's mission is primarily to gain assent for the basing of war materials and the planning of joint air and naval exercises.

Mr Cheney said he had made significant progress in developing a common view of what was required. Last night he was planning to leave Kuwait for the United Arab Emirates, before visiting Oman, Qatar and Bahrain. Asked about the position now of Kurdish refugees in northern Iraq, Mr Cheney said that "the Iraqis seem to be cooperating."

Kurds head home, page 10

Top men must go as Ford cuts the red tape

Senior managers are in the firing line at Britain's biggest motor company, reports Kevin Eason

SOME of Ford's highest paid executives, believed to earn up to £100,000 a year, are to go in a shake-up of senior management. Lindsey Halstead, chairman of Ford of Europe, has ordered that two management tiers be removed to try to end the "huge bureaucracy" slowing down Britain's biggest car maker.

He is pursuing a policy of cutting jobs not directly involved in the design, manufacture and selling of Ford cars. It will lead to more than 2,500 redundancies throughout Europe. An investigation showed that 40 per cent of the 21,000 white-collar workers, of whom half are in Britain, were "indirect" workers, mainly clerical, legal and administrative.

He also said that Ford's corporate structure of seven management layers was too weighty, time-consuming and bureaucratic. Managers would not be sacked but asked to volunteer for redundancy or for early retirement and would be given "outplacement" counselling to find new careers or interests.

It is understood that some of the most senior jobs, carrying salaries of up to £100,000 a year, could be targeted in the review over the next two years.

Mr Halstead has become concerned that the "paper-pushing" of seven management levels is far too complex, particularly when assembly lines have been slimmed to improve efficiency and output. He said: "We are too bureaucratic. We are too slow to report and we just have to find a better way to respond."

He wants Ford to adopt Japanese-style management practices which devolve decision-making to local levels and allow designers and production managers more freedom. Too often in Ford, he said, senior executives,

Continued on page 20, col 5

TODAY IN THE TIMES

PEOPLE

Victoria McKee on the legal myths and social fallacies that surround cohabitation — the marriage in all but name Page 12

HUMOUR

Alan Coren tells the thrilling story of how, in the face of EC bureaucracy, one man helped another to maintain his kipper ties Page 14

TELEVISION

Melinda Wittstock reports on the climax — and anticlimax — of the great ITV franchise auction, and assesses the challenges Page 29

INSIDE

Arena move

The company owning the London Arena, Arena Developments (Europe) Limited, has been put into administrative receivership. Frank Warren, the chairman, said the "temporary" move would secure the future of the stadium on the Isle of Dogs, east London Page 21

Boxing, page 34

Domestic victory

A butler and his housekeeper wife won a claim over wrongful dismissal against a millionaire philanthropist whose wife sacked them Page 3

Employers seeking chief executives, managers and other senior staff are advertising in our appointments section tomorrow, which has 12 pages of jobs.

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Hogg: publicity is not sought on this trip

Beehives and no misbehaviour on the Strip

From Richard Beeston in Gaza

FOR Israelis and junior Foreign Office ministers alike, the dusty and squalid streets of the Gaza Strip are littered with images both sides might prefer to forget. David Mellor in 1988 upbraiding an Israeli officer for his treatment of Arab protesters, giving the impression (to Israeli eyes) of an overbearing British Mandate officer in long shorts with a swagger stick. William Waldegrave the following year emotionally holding up a rubber bullet before the world's press shortly after he had compared Yitzhak Shamir, the Israeli Prime Minister, to Yasser Arafat, the PLO leader, as a former terrorist.

Even Douglas Hurd, master of diplomacy, managed to offend both Israelis and Palestinians last October in the heated aftermath of the killing of 18

Arabs on Temple Mount in Jerusalem by Israeli border guards. Small wonder that, even before Douglas Hogg set foot in Gaza yesterday, the Foreign Office was determined to ensure he did not trigger a political landmine.

After three disastrous ministerial trips to Israel, British diplomats may have finally mastered the technique of avoiding catastrophe. In Mr Hogg's case this took the form of inspecting Gaza beehives rather than rubber bullets or tear gas canisters.

He studiously avoided any contact with Israeli occupation forces. He also declined to talk to the press, indeed tried to avoid reporters altogether, kept meetings with Palestinians to a minimum, and generally moved through the potentially treacherous terrain with studied anonymity. Given his efforts to avoid the limelight Mr Hogg, making his first visit to Israel as minister respon-

sible for the Middle East, appeared a little taken aback by the presence of two British reporters at the Commonwealth war graves cemetery in Gaza. As one of his diplomatic escorts was quick to point out to us, "we are not seeking publicity on this trip".

Uppermost in Mr Hogg's mind, no doubt, was Mr Hurd's embarrassment last year at being boycotted by Palestinian leaders in the Occupied Territories. Israeli MPs had claimed in a briefing for local reporters that the foreign secretary had rejected the idea of Palestinian statehood during a private meeting at the Knesset. Palestinians were furious, and Mr Hurd's denials were to no avail.

This time Mr Hogg met Palestinian leaders in the West Bank first before holding any talks with Israeli parliamentarians and officials.

Lebanon protests, page 10

READ IT AND BELIEVE IT

NANCY REAGAN
THE UNAUTHORIZED BIOGRAPHY



KITTY KELLEY

Bantam Press



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Living history: the Regency splendour of Polesden Lacey, near Dorking, Surrey, and a 1914 Rolls-Royce Alpine Eagle form an impressive setting for the Young National Trust's Theatre's new production, *A Land Fit for Heroes?* The title was inspired by Lloyd George's pledge to reform Britain. An innovative programme combines performance and participation scenes with children to give them a greater understanding of 1920s life. The production goes on tour this week and will be seen by more than 10,000 pupils. First in line were appropriately dressed children from St Mary's Roman Catholic primary school, Gillingham, Kent

Deans see market forces as threat to teaching hospitals

By JILL SHERMAN, SOCIAL SERVICES CORRESPONDENT

MEDICAL and dental education and research is under serious threat because of health service reforms, the Universities Funding Council said yesterday.

A report from the council's medical committee says that the introduction of market forces in the health service could threaten the viability of teaching hospitals in cities throughout Britain. To coincide with the report the committee of university vice chancellors and principals has written to Kenneth Clarke, the

education secretary, asking for assurances that the reforms will not jeopardise the universities' ability to provide medical teaching.

Bed closures in Manchester, London and Newcastle upon Tyne are threatening teaching recognition because medical students have too few patients to study. Students at Manchester Royal Infirmary, where 40 to 80 beds have been closed in the last three months, are being taken by bus to other hospitals 10 miles away to gain appropriate experi-

ence. St Mary's Hospital in central London now has too few beds to allow students to follow two patients a week, the university's requirement.

The reforms, which may discourage referrals to high-spending teaching hospitals, will make matters even worse, the committee says. It points out that although health authorities have been asked not to change referral patterns this year, the picture could change dramatically next year. "The medical committee is extremely concerned about

the likely consequences for a number of teaching hospitals and their medical schools after the NHS standstill year ends in April 1992."

Deans of medical schools are pressing the government to intervene rather than letting market forces take over. One option would be to revise plans to allocate money per capita, which favours the provinces, to take into account higher inner-city costs combined with the advanced medical technology associated with teaching.

Although teaching hospitals do attract some extra central money, the committee fears that this teaching and research increment could be used to help to reduce teaching hospital contract prices rather than funding specific services. Teaching hospitals in large conurbations would only be able to survive by attracting a large number of contracts for treating patients from other health authorities, says the report.

In some areas teaching hospitals would depend on more than 65 per cent of their workload from areas outside the local health authority, the report says. "Some teaching hospitals will need to contract with 60 or 70 health districts to cover the current workload. The complexity of this task is daunting."

The committee says that the reforms could have a particularly detrimental impact on undergraduate teaching, which needs a broad mix of patients with relatively common disorders.

Research into these disorders could also be threatened if teaching hospitals are forced to become more specialised in order to remain financially viable, it says.



Dancing back to new life

NINE months after being declared clinically dead, Bettina Beechgaard, an aspiring dancer, takes to the stage again. Her leg was broken in nine places and she had a 12in head injury after a car accident.

Bettina, aged 20, a student dancer from West Byfleet, Surrey, was also bruised from head to foot. Yesterday, however, she demonstrated how successfully she had triumphed over adversity. She said she is almost back to full dance fitness.

When the accident happened last year, two doctors and a nurse happened to be passing. Bettina was given heart massage and resuscitation by experts.

She said yesterday: "I was determined to walk again, although doctors were sceptical that I would ever dance professionally once more."

Call for tougher action against drug gang profits

By STEWART TENDLER, CRIME CORRESPONDENT

THE laws on enforcing the confiscation of drug traffickers' assets must be made tougher because millions of pounds are going unrecovered, according to the report of a Home Office working party published yesterday.

Only £1.1 million from confiscation orders totalling £7.9 million was recovered in 1989-90 the report shows. Customs sources estimated yesterday that their cases have yielded only £2.43 million since the act came into force in 1987 although confiscation orders worth over £17 million have been made in the past four years. Part of the problem is the time taken by appeals and the sale of proceeds.

The report, by senior police and Customs investigators and officials, also underlines other reasons why the Drug Trafficking Offences Act has not had the effect the government forecast.

The working party makes 15 recommendations including a change in the basis of proof required to show whether assets have come from drug proceeds. The report says that in future courts should apply the civil standard of proof and make decisions on the basis of the balance of probabilities rather than beyond reasonable doubt.

Courts should also apply the act's requirement that the onus is on the convicted defendant to prove that assets are not from drugs rather than require the prosecution to show that they are.

The report wants courts to be able to pass sentence before making a confiscation order. This would mean that a court would not have to wait months for assets to be declared and could sentence with the case fresh in the judge's mind.

The working party also wants it made clear that a prison sentence does not wipe out the debt so that a trafficker cannot count on coming out to a hidden nest egg which is untouchable.

Although police can get a court order to freeze assets when they make arrests the power is not widely used. The courts therefore become the main arena for deciding confiscation. Magistrates courts often do not do enough to implement an order passed down from a crown court to suggest enforcement methods such as the orders used in debt collection cases.

Welcoming the report yesterday John Patten, the Home Office minister of state, said the government wanted to make sure the legislation worked well.

Ulster talks in no-man's land

By TIM JONES

THE first true inter-party talks on the future of Northern Ireland for 16 years failed to begin as planned yesterday while the participants argued over the venue for the next stage, which will involve the government of the Irish Republic.

Old rivalries and suspicions emerged as various obstacles were raised to holding the talks in Dublin or Belfast.

Peter Brooke, Northern Ireland secretary, had hoped yesterday would have heralded an historic plenary session with leaders of the four main constitutional parties. Instead, he became bogged down in bilateral talks. Suggestions for the venue are understood to have included Strasbourg, Brussels, or Armagh, ecclesiastical capital of the troubled land.

Sources close to the Northern Ireland office suggested most of the opposition was being mounted by the Democratic Unionist Party, led by the Reverend Ian Paisley.

In common with the Ulster Unionists, they want stage two to be held in London to demonstrate their mistrust of Dublin while it lays constitutional claim over the province.

Gerard Collins, the Republic's Foreign Minister, has even said he would be prepared to go to Ballymena, Orange citadel of Mr Paisley's north Antrim constituency. That is as unlikely as the suggestion that the 16 politicians and secretarial staff should hold discussions on the Isle of Man.

Missing link

The linking of the first rail tunnel between France and Britain under the English Channel will take place on May 14, the Transmanche Link consortium building the Channel Tunnel said yesterday. The burrowing machines tunnelling towards each other from Sangatte, in France, and Folkestone, are separated by only 765ft. The second rail tunnel is scheduled for completion next month.

Fumes blamed

Two women found dead in a caravan at Bradworthy, North Devon, had been poisoned by carbon monoxide fumes, police said yesterday. The fumes were believed to have come from a bottled-gas water heater. An inquest yesterday on Sharon Farnell, aged 19, and Joanne Balby, aged 20, both from Kilkhampton, Cornwall, was adjourned. They were found on Saturday.

Science prizes

The winners of the Science Book Prizes for 1991, worth a total of £20,000, were announced yesterday. The category for general readership was won by Stephen Jay Gould, for *Wonderful Life* (Hutchinson Radius), while the prize for books for a younger readership was shared by *Cells are Us* and *Cell Wars*, written jointly by Fran Balkwill and Mic Ralph (William Collins).

Science Book Prizes 1991: General Readership: Stephen Jay Gould, £10,000; Younger Readership: Fran Balkwill and Mic Ralph, £10,000. Winners of the 1990 prizes: General Readership: Stephen Jay Gould, £10,000; Younger Readership: Fran Balkwill and Mic Ralph, £10,000.

Waldegrave justifies changes

By OUR SOCIAL SERVICES CORRESPONDENT

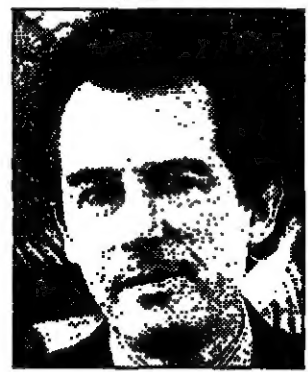
WILLIAM Waldegrave, the health secretary, will today give a robust defence of the health service reforms to health ministers from all over the world.

Addressing the World Health Assembly in Geneva he will also justify his decision not to intervene over big jobs cuts at health service trusts by emphasising that health managers should be given the same autonomy to get on with their job as clinicians.

"Politicians, parliaments and health committees should no more try to intervene directly with the professional management of hospitals than they would with the clinical judgment of doctors," he will say this morning. "We have quite frankly, over politicised our health service in Britain, with the result that we have often had weak management, too much union power, medical and other, and a very inflexible allocation of money. You will guess that in seeking to change some of these things, I am having, in the

short term, an interesting time."

Although the NHS was an "exceedingly good system" it had weak techniques for matching spending to needs and in helping the planners know how to get the most of what they needed for the money they had. "Though it has developed some way along the route to the expansion of primary health care for which WHO campaigns, it has in the



Waldegrave plans robust defence of NHS reforms

past provided no clear way in which public health planners could allocate their money across the full range of services."

The new system would maintain the free, comprehensive, non-insurance based provision of health care and allow public health strategists to shift resources into areas such as prevention and primary care. "We are requiring health providers to compete to show how much health care they can make available at the necessary standard for the money that is available and the system will reward those who can do most."

Stopping crime in health service hospitals could save £600 million a year, the cost of 30,000 jobs, health managers were told yesterday. Sheila Carmichael, of Crime Concern Consultancy, told a conference organised by the National Association of Health Authorities and Trusts that many hospitals were a security nightmare with their numerous entrances and exits.

Church group aims to fight poverty

By RUTH GLEDHILL, RELIGIOUS AFFAIRS CORRESPONDENT

A NATIONAL campaign on poverty was launched yesterday by the Christian-based Church Action on Poverty. Church groups are being asked to hold meetings and tackle their MPs on poverty issues.

According to *Breaking the Chains of Poverty*, a report published to launch the campaign, more than ten million people have "unacceptably low incomes". Church Action on Poverty, funded by dioceses and churches, claims public services are falling apart and that the number of unemployed may soon exceed three million.

The group, which is organising a national rally in London in September, is calling for a minimum income, a permanent reduction in homelessness, more training and employment opportunities and redistribution of wealth. Hilary Russell, national chairman, denied it was a political agenda.

The report says: "The number of people in Britain who have incomes less than half the average grew steadily in the early 1980s and dramatically between 1985 and 1987." In 1990, the half average income for a single person was £52 a week, it says. The report cites the case of Mark and Mary, with two children under

five and on income support. After paying £30 rent, their poll tax and fuel bills, they have about £60 a week to feed, clothe and meet the needs of the family. "While the average increase in real income between 1979-87 was 23 per cent for the poorest 10 per cent it was only 0.1 per cent."

Leading article, page 15

Oil companies 'ignored safety'

By KERRY GILL

TWO oil companies caused the death of a North Sea radio operator by disregarding safety measures, an enquiry into the Ocean Odyssey drilling rig disaster was told yesterday.

Aidan O'Neill, for the family of Timothy Williams, the only fatality when the rig caught fire in September 1988, said that Arco, the rig operators, and to a lesser extent, Odeco, the owners, were responsible for Mr Williams's

death. "Arco personnel were guilty of the most serious breach of safety management imaginable," Mr O'Neill said. "They were acting out a bet with people's lives, setting the stakes against Arco's commercial gain and the aggrandisement of their own macho egos."

The attitude of the companies "all but ensured that somebody would die sooner or later."

"That more people did not die once the Ocean Odyssey blew up, as so many did on Piper Alpha, was simply a

matter of luck. It had nothing to do with proper safety management of pre-planned emergency procedures," Mr O'Neill told the fatal accident enquiry at Aberdeen into Mr Williams's death.

He said that the explosion and fire on the rig 130 miles east of Aberdeen could have been prevented. Mr Williams "was killed as a direct result of the failure by Arco to allow operations on board to be conducted in a safe and responsible manner."

The enquiry continues.

Curtain up in 1994 on £33m Glyndebourne opera house

By SIMON TAIT, ARTS CORRESPONDENT

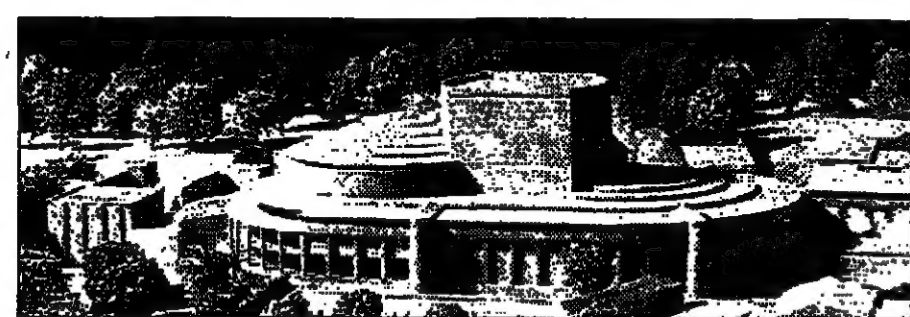
BRITAIN'S first new professional opera house for 60 years will open at Glyndebourne in 1994 at a cost of £33 million, Sir George Christie, chairman of Glyndebourne Productions, said yesterday.

Three-quarters of the money has already been pledged "entirely from our friends and supporters in Britain", he said. "For the rest, we will be looking abroad as well as within the United Kingdom, but it has been a considerable achievement and indication of support for something which started as a private dream."

None of the money will come from public funds.

The opera house will be built in the shadow of the existing one, next to the Christie family's Victorian mansion near Lewes, East Sussex. It will have 1,150 seats, 320 more than at present, and an auditorium 39 per cent bigger. Designed by Michael Hopkins and Partners, and using traditional materials, it will be dug into the chalk of the South Downs to blend with the topography.

Sir George hoped that Glyndebourne's financial future will be secured by the



Rising star: a model of how the new Glyndebourne opera house will appear

increased capacity "while retaining the intimacy necessary for the repertoire". Glyndebourne has been criticised for an allegedly excessive corporate claim on tickets, but this will be

limited to less than 35 per cent. The Glyndebourne Festival Society, which has ticket priority, has a waiting list of 6,000.

The new opera house will offer greatly improved

acoustics, better sight-lines and proper back-stage facilities. The landscaped gardens where opera-goers enjoy champagne suppers during the long intervals will remain untouched. The new

building will not open for any longer in the year, despite enhanced facilities and capacity. "It would put an extra strain on the administration and may also change the nature of the festival," Sir George said.

This year's festival, starting on May 24 and lasting three months, will contain six operas and 72 performances, marking the bicentenary of Mozart's death.

The opera house is expected to open on May 28, 1994, to mark the 60th anniversary of the festival's foundation.

Arts, page 13

Millionaire's servants win claim over sacking

By ROMAN YOUNG

A chauffeur-butler and his cook-housekeeper wife yesterday won their claim for compensation for wrongful dismissal against a multi-millionaire philanthropist whose wife dismissed them without warning.

Susan Soros, the American wife of George Soros, a Hungarian expatriate who is chairman of the Quantum Fund of New York, had told an industrial tribunal in London that Patrick Davison and his wife Nicki had turned her London home into an "uninhabitable battlefield" when she brought a cordon bleu chef from New York.

She said that arguments between her South American chef and the Davisons had kept her awake at night, and that the Davisons had refused to give her chef money to buy ingredients or to show her the food shops.

Yesterday the tribunal unanimously decided, after 20 minutes, that they preferred the Davisons' evidence to that of Mrs Soros, who they concluded had no legitimate grounds for dismissing the couple.

Mrs Soros had said that Mrs Davison's cooking was always burnt and overdone. It was claimed that a home economist had been brought into the household to coach Mrs Davison, whose previous work experience had been in a council old people's home, in the arts of cuisine. The home economist was said to have given up in disgust at her pupil's lack of progress.

Yesterday, however, Mrs Davison told the tribunal that she had almost invariably been complimented on her cooking, which she described as traditional English. Her tuition with the home economist only ended because the woman had moved to the United States.

Andrew Barro, the tribunal chairman, asked Mrs Davison whether she had any experience of fashionable, international cuisine. She said she did not, but that Mr Soros had liked her Yorkshire pudding, and that she had usually cooked two joints, one well-done for Mrs Soros and one "oozing with blood" for Mr Soros who liked his meat rare.

Patrick Davison told the tribunal yesterday that he acted as butler, chauffeur, valet, personal assistant, gardener and odd-job man at the Soroses' London home in Onslow Gardens, South Kensington, working more than 70 hours a week.

He described his pay and conditions as the most generous in all Europe. He and his wife were paid £40,000 a year, given full board and lodging in their flat, and had use of the family's Jaguar when the

Soroses were not in the country. They also had charge cards at Harrods and Peter Jones, and had been told to buy anything they needed.

The tribunal chairman, Andrew Barro, said the package must have been worth more than £70,000 a year.

Mr Davison said his relations with Mr Soros and his wife had always been excellent, until on September 20 last year Mrs Soros summoned him and his wife and told them she "would have to let them go".

On one occasion two cars had gone to meet the Soroses arriving from New York, the Jaguar "and an estate car for the luggage". Mr Barro commented: "Imagine what it must cost to bring an estate car full of excess baggage on Concorde, but I suppose it is immaterial."

Mr Davison denied that he had ever refused to serve guests, slammed doors or shouted and screamed at the new chef, Miriam Sanchez. He said there had never been any complaints or criticisms about his work. "We received lots of plaudits from both house guests who stayed at the house, and from Mr and Mrs Soros," he said.

Mr Davison said he had never had any disagreement with Mrs Sanchez, although the new cook had once refused to "take a lemon tea to Mr Soros, saying it was a maid's job."

He admitted when cross-examined that there had also been a disagreement over the new cook's use of wine. He said she could use a chardonnay or "a youngish beaujolais" in her cooking, but the cook demanded the best wines in the cellar. "I thought it was a bit outrageous," Mr Davison said, but after seeing Mrs Soros, the new cook was allowed to cook "with Lafite wines costing £400 to £500 a bottle".

Mr Barro said that the tribunal could not find that the Davisons' conduct had contributed to their dismissal. He said that the amount of compensation would be fixed at another hearing in three months if it could not be agreed between the parties earlier.

Mr Soros' personal fortune is estimated at £300 million. His Quantum Fund manages \$2 billion dollars, and he has led a personal crusade to transform eastern Europe into an open society.

Last year he was awarded an honorary doctorate of civil law at Oxford University as "financier, philosopher and philanthropist". Mr Davison said yesterday: "I was surprised to win, because we were up against a multi-millionaire."



Beach danger: a fireman and a chemical expert, both wearing breathing equipment, check one of the trailers washed up at Kelling

Penhaligon had seat belt on, QC says

THE question of whether David Penhaligon, the former rising star of the Liberal party, was wearing a seat belt when he was killed in a collision with a van on an icy road in 1986 was raised in the High Court in London yesterday.

Simon Tuckey, QC, for Annette Penhaligon, the Truro MP's widow, told the court that Mr Penhaligon was a former Liberal transport spokesman and voted for the seat belt legislation. The belt in his car was faulty.

It did up, but was worn and did not fit across his body with sufficient tension. Mr Penhaligon, a large man, was able to move forward in his seat when wearing the belt. If he had been wearing a suitable belt, he might not have been killed.

The fire brigade, which had to break open the car door to remove his body, said the MP was not wearing a belt, but people who arrived at the scene beforehand could have released the belt, Mr Tuckey said.

Mrs Penhaligon, aged 45, is bringing the action on behalf of herself and her children. She is suing Anthony Barry, a van driver, his employers, W. I. Miller and Son, of Poole, Dorset, and Cornwall county council for between £600,000 and £700,000 damages. All three defendants deny negligence.

Mr Tuckey said it was dark as Mr Penhaligon drove along the A390 St Austell to Truro road at 6.45am, three days before Christmas 1986. At a bend at Truro Fork, Probus, northeast of Truro, the van travelling in the opposite direction went on to the wrong side of the road and collided with the MP's car. He asked the judge to decide whether liability lay with Mr Barry and the company or with the council, whose divisional surveyor had received a forecast of ice.

The hearing continues today.

Toxic threat keeps villages empty

By MICHAEL HOBENELL

A BIG operation to clear a remote beach on the north Norfolk coast of 24,000 litres of toxic chemicals was mounted yesterday as up to 1,000 residents prepared for a second night away from home.

Firemen in protective clothing slowed the leak from two 24-tonne trailers washed up on the shingle at Kelling near Sheringham. Civil engineering contractors with bulldozers and excavators then cut two 50-yard paths through a 30ft high shingle flood protection bank before men of the Royal Corps of Transport moved in

to build a temporary roadway for tankers to gain access to the trailers.

The plan was then for the tankers to draw off the highly toxic ethyl acrylate from the trailers, which were washed overboard in heavy weather 25 miles north of Blakeney Point from the Swedish cargo vessel Nordic Pride last Friday as it made for Immingham, south Humberside.

Police were still unsure last night whether the two trailers, once they had been pumped empty, would be removed by

sea, road or helicopter. Two other trailers remained unaccounted for and coastguards were keeping a close watch after alerting shipping.

The stench of the chemicals, used in the manufacture of textiles and paints, still polluted the North Sea breeze over more than 50 square miles as police maintained a two-mile exclusion zone for householders and stopped traffic.

The villages of Weybourne, Kelling and Salthouse were abandoned by fleeing holiday-makers and local people, leaving cattle grazing in the fields and dogs barking in deserted country lanes. Fears that hundreds of seals and seabird were at risk mounted as the Marine Life Rescue Centre at Bacton reported a number of dead gulllings.

Martin Penney, public relations officer for the German company BASF, which manufactured the chemicals, said: "The wildlife isn't in terminal danger. Much of the chemical has been dispersed and the worst result has been sore throats and runny eyes. There is no lasting environmental or health damage. We are co-operating with the emergency services and giving assistance."

However, Anthony Seligman, Norfolk county councillor for Sheringham, said: "The cargo on board the ship was quite clearly inadequately secured and that is disgraceful."

At the emergency incident room at Sheringham high school, Inspector Keith Pearce said: "We just don't know how long it will take to clear the beach and we're advising people to be prepared to remain evacuated for another night." Hospitals treated about 40 people suffering from fumes as others headed for overnight accommodation with friends and relatives. Another 160 went to the evacuation centre at the local primary school where children had been given the day off.

Scientists held back evidence at Maguire trial, appeal told

By LIN JENKINS

GOVERNMENT scientists failed to disclose information which could have called into question the credibility of the prosecution's evidence at the trial of the Maguire Seven, the Court of Appeal was told yesterday. Three judges are being urged to quash the convictions of the seven, who were jailed 15 years ago for allegedly running an IRA bomb factory.

Scientific evidence central to the conviction of the seven was presented at the original trial as a gladiatorial contest between experts, with the defence being castigated by the Crown, Anthony Arlidge, QC, for the Maguires, said. Yet details had emerged which contradicted that evidence and pointed to serious omissions thereby removing the only grounds on which the trial jury 15 years ago could have convicted all those accused. Experts had been selective and not given a complete picture at the time and had also failed to reveal all relevant information to subsequent enquiries with the latest potentially important facts coming to light in a document disclosed only last Friday. He said that while other evidence was heard against particular defendants at the original trial the jury could not have convicted

across the board without relying on scientific evidence.

The Maguire Seven, one of whom died in prison, were jailed by the Central Criminal Court in March 1976. Their convictions were based solely on scientific evidence purporting to show that they had handled nitroglycerine.

The surviving six, who are now free after serving sentences ranging from four to 14 years, claim that there was not, and never had been, any reliable evidence of any explosive substance on their hands after their arrests. Another ground of appeal is that

material relating to the scientific evidence was not disclosed to the defence during the trial.

Mr Arlidge said that scientists called on behalf of the Crown had not disclosed to prosecution or defence "matters relevant to vital issues in the case". Had the defence known of those matters, which related to the specificity of scientific tests for nitroglycerine, the credibility of the Crown's evidence could have been called into question.

The hearing, which is expected to last three weeks, continues today.



Victory: Patrick and Nicki Davison outside the tribunal in London yesterday

Motorists questioned in hunt for accountant

By BILL FROST

KENT police set up road checks around Lymington forest yesterday as the search continued for Simon Law, the wealthy accountant who disappeared last month. Detectives, who believe he was abducted, are treating the investigation as a murder enquiry.

Officers yesterday questioned early morning drivers in the hope they might have seen Mr Law, aged 35, on the day he vanished. They were also asking about two white

South Africans spotted in his village of Elmsted before and after his disappearance.

Detective superintendent Owen Taylor, the officer leading the enquiry, said: "Nothing emerged from the interviews. But we will continue with the checks."

Two detectives will fly to South Africa to unravel Mr Law's business connections. Last year he was interviewed in London by South African police investigating an alleged currency fraud.

Police host stolen antiques roadshow

By PETER DAVENPORT

A POLICE station in a Yorkshire market town is staging an antiques fair for two days next week in an attempt to unravel a multi-million pound international trade in stolen works of art with Italy.

Thousands of valuables, including paintings, bronze casts, antique furniture, silverware, ivory, ceramics and jewellery found by detectives when they searched a 60ft articulated lorry as part of an international investigation last month are to be displayed to the public at Northallerton police station on Monday and Tuesday. North Yorkshire police said yesterday that the haul may be worth millions of pounds but they needed to identify each piece and locate its owner.

Detectives have called in antiques experts to help them catalogue the haul, which they believe comes from robberies from private homes, museums

and churches, mainly in the north of England, over the last few years. Because of the difficulty in matching paper descriptions of missing items, provided by victims at the time of the theft, with the actual pieces, senior officers decided to hold the two-day display in the hope of reuniting the valuables with their owners. Inspector Ron Johnson said yesterday: "It will also help us to build up the chain between the robberies and the discovery of the valuables here and in Italy."

The investigation began last month when police near Milan uncovered stolen antiques and works of art, some of which were traced to robberies in Bradford, Scarborough and Thirsk. Some reports said that a little known Matisse watercolour was among the recovered items, valued at more than £1million. Two detectives from the North Yorkshire regional crime squad spent five days in Italy and when they

returned three men in Yorkshire were arrested then released on bail. No charges have yet been made.

Shortly afterwards detectives recovered a 60ft articulated lorry and trailer and found thousands of antique pieces. The only items so far positively identified are two paintings stolen from a house in Whitley Bay, Tyne and Wear, in 1989, but police believe most of the items were stolen.

Religious artefacts are known to form part of an illegal trade between Britain and Europe, where they are often sold to collectors in the United States and Japan. Late last year valuables were stolen from churches, including 14th century carved chairs from St Gregory's parish church, Bedale, North Yorkshire, silver from Birstwith parish church near Harrogate and silver chalices and plates, valued at about £60,000, in a safe stolen from Croft parish church, near Darlington.

Prisoners to be told why parole requests are refused

By QUENTIN COWDRY
HOME AFFAIRS
CORRESPONDENT

PRISONERS who are refused parole are likely to receive detailed reports explaining why their applications were rejected.

Ministers believe that the system is run with integrity but that not to give reasons is unfair and gives inmates little incentive to improve. They also think that the secrecy surrounding parole stirs unjustified fears that some inmates are treated unfairly.

Angela Rumbold, the Home Office minister responsible for prisons, said: "The present system is too secretive. We have nothing to hide and we ought to prove that."

Among measures being canvassed are requiring the parole board to issue written explanations where applications are refused, allowing applicants an exploratory interview with a board member before the formal hearing and providing applicants with some reports such as assessments by prison staff and probation officers.

About 24,000 prisoners a year seek parole, by which some inmates serve the latter stages of their sentences under supervision in the community. The parole board vets all requests by prisoners serving four years or more, while the rest are handled by local committees.

Mrs Rumbold has spent the past 10 days studying penal policy in Canada and the United States. Her commitment to open up the parole mechanism has redoubled since she visited Canada, where prisoners not only have access to all parole documents but also attend their parole hearings.

She has also returned more convinced of the need for ministers to press ahead with plans for a national treatment programme for serious sex offenders. Psychologists and therapists in North America told her that although offenders such as rapists could never be cured, they could, with specialist guidance, learn how to control deviant urges. Research suggests that only 10 per cent of treated sex attackers will reoffend, compared with a quarter of those who do not receive treatment.

Spend a few minutes learning the facts of life.

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2. A child dies from starvation every two seconds.
3. In 1989, the West gave the Third World £30 billion in aid.
4. In 1989, the Third World gave the West £93 billion in debt repayments.
5. The average life expectancy in Britain is 75.
6. The average life expectancy in Ethiopia is 47.
7. 25% of the world's population uses 75% of the world's resources.
8. 50% of the world's population do not have access to clean water.
9. Christian Aid works with thousands of people in communities across the world.
10. We need your help to help them. Give now. Ring 041-305 5549.

Christian Aid

Tests to be changed after complaints by teachers and parents

By DAVID TYTLER, EDUCATION EDITOR

NATIONAL curriculum tests for pupils aged seven will be changed for next year after complaints by teachers and parents, but details of the new tests will not be available until autumn, Tim Eggar, education minister, said yesterday. Schools and parents have complained that the compulsory tests taking place in 20,000 primary schools in England and Wales are unworkable and unnecessary. "We cannot expect to get it right first time and changes will have to be made," Mr Eggar said. "We are in the business of learning as we are going on and have to be prepared to make changes if a good case for change is made." He insisted that testing would continue in some form.

It was already clear, however, that some "technical" changes would be required as teachers had found some inconsistency in the mathematics tests, he said. No final decisions would be made until tests now under way had been analysed. That would mean the form of next year's stan-

dard assessment tasks would not be known as early as teachers would have liked to allow them to plan lessons. "Neither parents nor teachers would want a hurried decision," Mr Eggar said. "People would have a legitimate criticism if they felt that we were not responsive to properly researched evidence."

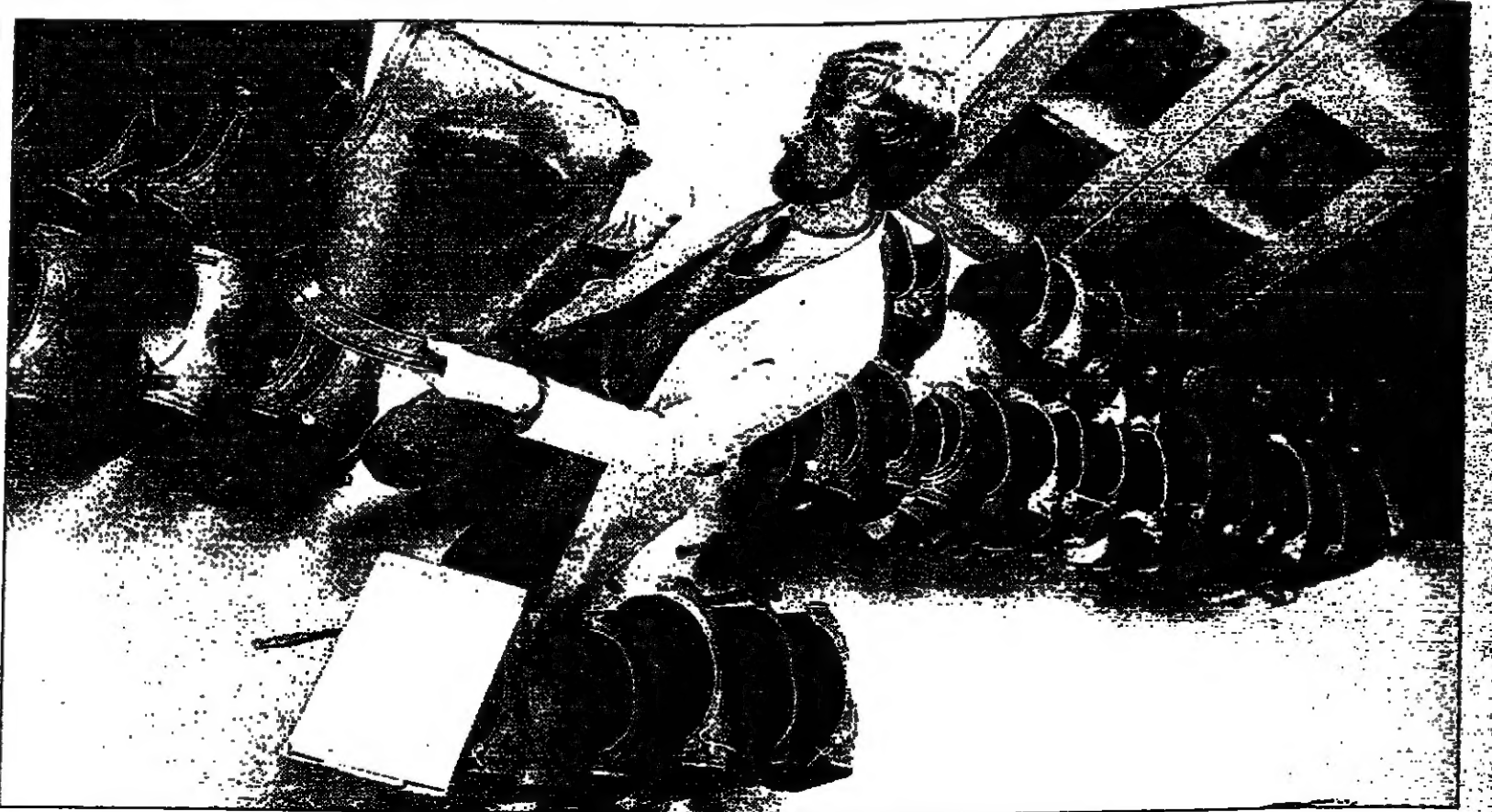
The present round of tests were considerably slimmer after last year's pilot testing proved unworkable in schools, but the Easter conference of the National Union of Teachers (NUT) still called for a boycott of the tests. The other five teacher associations agreed that testing should continue so that they could present the government with a proper case against the standard assessment tasks. The call for a boycott was rejected by a ballot of NUT members last week.

Mr Eggar said that the government would have to judge between simple pen and paper tests, which most primary teachers found unacceptable, and the present

more complicated assessment arrangements in mathematics, English and science. "It is a question of finding a balance between what is manageable and what is fair to the children," he said. Changes would be made in all areas of the national curriculum as they became necessary.

The NUT said: "Any change which reduces the burden on teachers and pupils is welcome but fiddling with the tests will not make them educationally valuable. They should be abandoned."

Mr Eggar said that parents would be better informed of their children's progress when primary schools introduced compulsory reports for the first time this summer. He estimated that until now only between 20 per cent and 30 per cent of primary schools had issued reports in the first three years of schooling. He hoped that teachers and parents would use the reports as a basis for discussion at open evenings to help children develop their strengths and identify their weaknesses.



Hidden treasure: Chris Gravett, curator of armour at the Tower of London, examining one of the 35,000 pieces in the royal armories' collection which the public never sees. There is room to display only 12 per cent (Simon Tait writes) but a report recommending that much of the collection move out to one of eight purpose-

built museums - at Sheffield, Leeds, Nottingham, Birmingham, Greenwich, Bradford, Newcastle upon Tyne or York - at a cost of about £30 million, is now with the environment department. This week the trustees of the armories, officially the National Museum of Arms and Armour, are expected to choose which to

recommend. A recent survey by Mori showed that the regional display could attract a million visitors a year. An American businessman is also hoping to finance a permanent exhibition of pieces from the collection in Boston, Massachusetts. If both schemes work, 80 per cent of the armories' treasures would be on show.

Party clash over £1m puts fringe arts in jeopardy

Financial disputes among councillors have left arts groups facing closure and threaten the future of a haven for battered wives. Simon Tait assesses the situation

LONDON'S arts fringe is close to collapse because of a seemingly intractable political deadlock on a little-known committee of local authorities.

The King's Head theatre is one of eight arts companies that faces immediate closure because of the impasse which, in the words of the theatre's administrator Stephanie Crawford threatens "to destroy the arts infrastructure of London for £1 million and no reason".

The London Boroughs Grant Scheme, run by a 32-member committee of councillors from each borough, funds voluntary welfare groups and arts organisations. To make a budget it needs a two-thirds majority, but it is hung in a critical balance: 14 Labour, 14 Conservative and four Liberal Democrat. Tories want a £26 million budget, Labour and Liberals want £30 million, the same as last year, the government recommendation. Last week it seemed that a compromise £29 million had been agreed, but Tory-controlled Ealing council overruled its finance committee and restored the impasse.

The London Boroughs Grants Committee, which runs the grants scheme, meets again today to try to find a solution, but Gerald Oppenheim, director of the scheme, talks of a "desperate situation".

Tim Renton, the arts minister, has asked the Arts Council and Greater London Arts to find interim funding for companies they jointly fund with the grants

scheme. It was created by the environment department and it is understood that Michael Heseltine, the environment secretary, is under pressure from Mr Renton to find a solution.

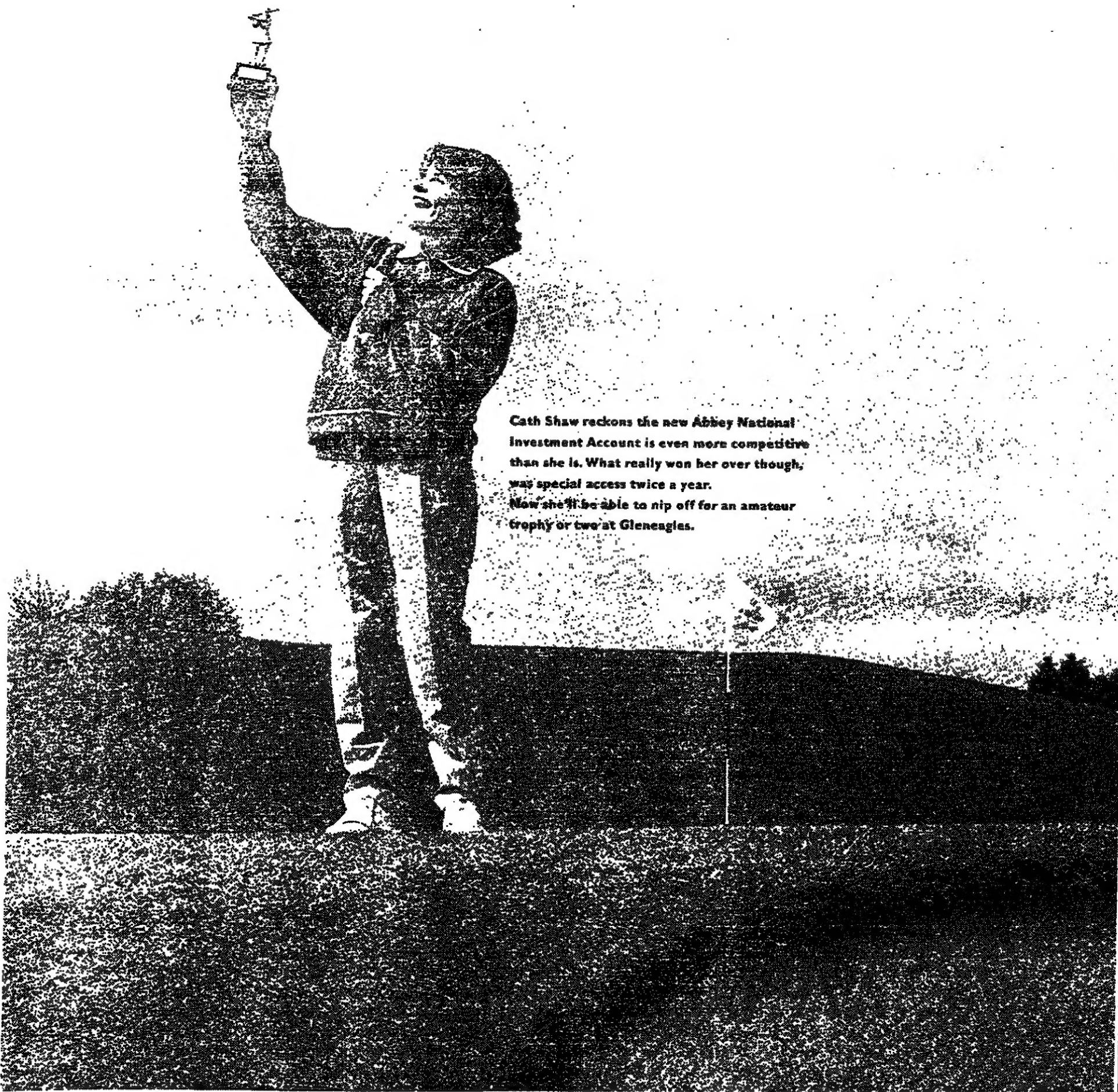
The 80 arts groups funded by the scheme received £3.5 million from it last year, but will receive nothing this year until the budget is set. Meanwhile, to cut a third from the arts budget this year - a move agreed by the grants committee - more than 50 groups will have their grants reduced. Of those, 17 will receive nothing and 15 have been told that they will be funded for only one more year.

Eight companies face immediate closure, all the rest are having to cut their operations and nearly half of the 80 are issuing redundancy notices. Already 37 people have lost their jobs.

Last week Crisis in London Arts Funding was created to represent the companies. It is seeking legal advice on the committee's "capricious and unreasonable behaviour" as to whether it should seek a judicial review. Russell Gilderson, the group's chairman, said: "Councillors have reached decisions without full information and clients have not been notified quickly or directly."

One solution may be for the environment department to fund the arts companies and to claim the money from the grants committee budget when it is set, Simon Mundy, director of the National Campaign for the Arts, said.

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Battered women's unit faces closure

By DOUGLAS BROOM
LOCAL GOVERNMENT
CORRESPONDENT

BRITAIN'S first battered wives' refuge and up to 600 other voluntary organisations will close on June 1 unless councillors resolve an impasse over the funding of voluntary bodies in London at a meeting today.

Like all 700 groups funded by the the London Boroughs Grants Committee, Chiswick Family Rescue has had no financial support since April 1 when the last budget set by the committee expired. Seven of the 14 staff at Chiswick, west London, which was founded 30 years ago by the campaigner Eria Pizze, have been laid off and Sandra Horley, the director, said the refuge would have to close.

A hundred women and children live at the refuge. "We will have to turn them out onto the streets or send them back to violent husbands," Ms Horley said. "If they turn to their boroughs for help as homeless people it will actually cost the boroughs a great deal more to house them in bed and breakfast."

Attempts to agree a new budget have been frustrated by the refusal of the 10 Tory-controlled London boroughs to agree a figure with



Horley: "Women facing return to violence"

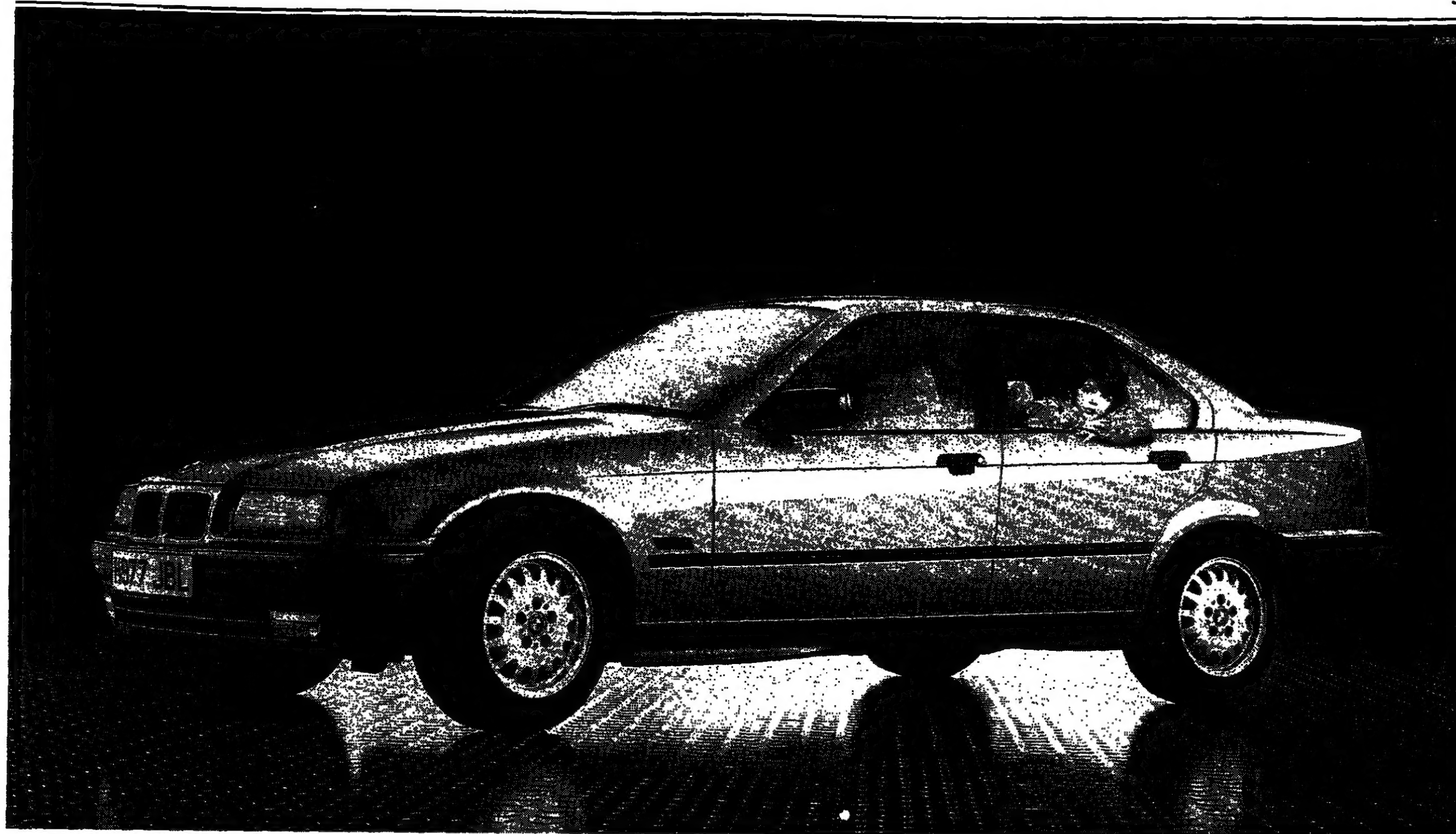
the remaining 22 Labour and Liberal Democrat councils and the City of London.

The grants committee, which was set up in 1986 to take over the grant distribution work of the defunct Greater London Council, cannot set a budget unless two-thirds of its member councils vote in favour.

Graham Bull, leader of Ealing council, said: "I want to get this issue resolved as quickly as possible. I will go to tomorrow's meeting determined to do just that."

Last night Cardinal Basil Hume, the Roman Catholic Archbishop of Westminster and the Dr Graham Leonard, Anglican Bishop of London, joined in an appeal to the boroughs to fix a budget.

صكنا من الامم



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Most of us grow wiser as we grow older. We accept that life is a compromise.

Although, by the look of the new 3 Series, this is wisdom unacquired by a BMW engineer.

A rational adult would have tried to improve the handling; the BMW engineer has revolutionised it, with perfect weight distribution and a bodyshell 60% more resistant to twisting than its predecessor's.

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Without compromising ride comfort, he designs a multi-link rear suspension, developed from our Z1 sports car. Touché.

Common sense acknowledges the limitations that come with the convenience of automatic transmission.

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Needless to say, it's otherwise unheard of in cars this size.

So, what of the engines themselves: do you make them more environmentally friendly or more powerful?

Yes, says the BMW engineer.

And, true to form, all engines (including the four cylinder 316i and 318i) come fitted with closed loop three-way catalytic converters; the new multi-valve six cylinder models are also more economical than the old ones, yet the power output of the 320i has been increased from 129bhp to 150, the 325i from 170 to 192.

Fine, but have the safety aspects been fully considered? In a head-on collision, will the 3 Series body absorb the energy demanded by the world's toughest legislation, the American Federal Register?

No, says the engineer, 36% more.

It's just the sort of response which makes you wonder: how did such a headstrong attitude ever produce such a supremely grown up car?



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Building costs lead to censure

The Commons public accounts committee censured the energy department yesterday after discovering that the final £15.6 million cost of its new Westminster headquarters was almost three times the original estimate. The committee said that the department's failure to look at cheaper, less central sites was a regrettable omission.

Over-55 bill ruled out

The government has ruled out legislation as a means of making employers take on more staff over the age of 55. Robert Jackson, employment under secretary, made clear at question time. The government could urge, explain and argue the case for employing more people over 55, but legislation would not help. Last year's labour force survey showed that 2,168,000 men and 1,289,000 women over 55 were working.

Cyclone plea

Labour MPs pressed the government for a statement on the cyclone disaster in Bangladesh after the Speaker ruled against an emergency debate.

Pesticides

The agriculture ministry is considering a scheme for the collection of unwanted pesticides from farms to complement the long-term campaign to persuade those who, in abusing pesticides, kill wildlife that the practice is wrong and unnecessary.

Parliament today

Commons (2.30): Questions: Environment. Finance bill, committee, second day. Lords (2.30): Debates on improving relations with other EC countries and on engineering.

Lamont and Major 'are going soft on inflation'

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

PADDY Ashdown yesterday stated the Liberal Democrat claim to be the party of free enterprise and low inflation as he intensified his crusade for electoral reform in the wake of last week's local election successes.

The Liberal Democrat leader called for the development of an anti-inflationary culture, proposing operational independence for the Bank of England in the conduct of monetary policy, joining the narrow bands of the European exchange-rate mechanism, ending the government's ambiguity over its attitude to a single European currency and using fiscal policy in the fight against inflation.

Mr Ashdown said that inflation was the mother and father of the recession and added that he sensed that John Major and Norman Lamont, the Chancellor, were "going soft" on inflation again. As the RPI dropped, so would their anti-inflationary guard, and as ministers relaxed so would the country.

He chose a speech to the Building Employers' Confederation - which said yesterday in a survey that the construction industry remained in a deep recession - to emphasise his party's credentials for helping business.

He said that a fairer electoral system would provide business with the security and stability it needed to prosper and to take risks. The Liberal Democrats were creating the "non-Conservative party of free enterprise that Britain has lacked for decades". Success was unlikely unless they could secure a stable period of economic management.

Mr Ashdown added: "We

DEMOCRATS

clearly need an anti-inflationary culture - one in which the presumption is towards low inflation. Price stability is the rock on which investment and competitiveness can be built. It is the means by which we can secure sustained falls in interest rates. The conditions are right for a further reduction in interest rates. But interest rates have been high, and will be high again because we have failed to create an anti-inflationary culture."

Outlining his four-pronged approach, he said that Bank of England independence would mean that short-term political considerations did not divert policy from the objective of stable prices. "No single step could do more to tilt the psychological balance in this country against inflation."

A move to the narrow bands of the ERM would underscore Britain's commitment to the mechanism and its determination not to resort to sterling devaluation as a soft way out of difficulties.

Fiscal policy had to be employed against inflation. The alternative was crippling inflation through high interest rates. "Consumer demand has taken a lot longer to respond to high interest rates than the government anticipated. In the meantime, industry has carried an undue burden."

Mr Ashdown appealed to business to help Liberal Democrats to win the argument for electoral change. By giving exclusive power to parties that could win only a minority of the votes the system encouraged sharp lurches in government policy.

Minimum wage plan is attacked

MICHAEL Howard, employment secretary, sought to deflect criticism of the government's record on unemployment yesterday by alleging that Labour's plans for a national minimum wage could cause two million job losses (Peter Mulligan writes).

He said during questions that the policy would lead to a "never-ending cycle of job destruction" as the average wage was forced up; the Labour proposal was the "most dangerous thing possible".

Tony Blair, shadow employment secretary, said that

unemployment was rising faster than in any other Western country.

Robert McCrindle, the Tory MP for Brentwood and Ongar, expressed concern about white-collar unemployment.

Leading article, page 15

"I'd like to get hold of the person that put me here!"

All my life I've been confined to a wheelchair. Yet a Red Cross activity holiday gave me the chance to do things many able-bodied people have never done.

Abseiling was the last thing I ever thought I'd do. But with the support I had from my Red Cross instructor, I managed to get down a 150ft rock face.

Now, I'd like to meet the person that hung me over the cliff, and thank him for bringing out courage I never knew I had.

Thanks to the Red Cross, I feel a lot more confident about what I can achieve.

This week is Red Cross Week. It's your chance to show your support for their work in Britain with the disabled, frail and elderly. As a charity, they need your help.

Please help make sure the Red Cross are always there when they are needed. Make a donation today.

You can support Red Cross Week by giving money to our volunteer collectors or to your local Red Cross branch, listed in the telephone directory.

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British Red Cross

No 10 arranges Hansard change

By ROBERT MORGAN, PARLIAMENTARY STAFF

LABOUR MPs were delighted yesterday when the Speaker confirmed their claims that a member of the prime minister's staff had caused a material change to be made in Hansard, the House of Commons official report.

When the issue was raised during prime minister's questions, John Major said that he was happy for the original words to be reinstated.

Dale Campbell-Savours, Labour MP for Workington, said that Mr Major had sought to cover up his mistakes by "doctoring the record". He owed someone an apology.

Last Thursday Mr Major had said that, although origi-

THE COMMONS

inally the British Medical Association had opposed GP contracts, it now supported them. He then quoted from what he described as "their own magazine", although he did not name it.

When Hansard was published the next day the name "GP Magazine" had been inserted and the phrase "their own magazine" deleted. The Opposition raised the matter in the House and the BMA complained to Hansard.

Yesterday, the Speaker, Bernard Weatherill, said that a sub-editor had been asked by members of the prime minister's staff to name the magazine he had quoted. In inserting the name, Hansard inadvertently changed the sense of the prime minister's reply. The editor had expressed his regret and a correction would be published.

Dr John Cunningham, shadow leader of the House, who originally raised the matter on Friday, sought to exploit the situation further and when Tory MPs shouted: "Cheap", Dr Cunningham retorted: "It is certainly not as cheap as fiddling the record in Hansard". He added: "Would it not have been better if 10 Downing Street had simply issued a correction and offered an apology both to the House and to the British Medical Association?"

Later, the leader of the House, John MacGregor, said that there had been no instructions from Mr Major. His staff did what ministers' staff usually did and gave the correct source of whatever quotation had been used. "This has been hyped up to a ridiculous degree."

□ The correct name of the magazine is *General Practitioner*.

MPs start to worry about work again

By ROBIN OAKLEY, POLITICAL EDITOR

JOHN MacGregor, leader of the Commons, is considering what body should consider calls for the reform of MPs' hours and working practices. He had not wanted to launch a formal inquiry when there was a prospect of its proceedings being broken off by a June election. Now there will be a trawling of MPs' opinions and a comparison of Commons working practices with those abroad, although the precise forum remains to be determined.

The only wonder about Commons hours is that MPs do not still break for two hours in the evening for what used to be known as "The Speaker's chop". Those who legislate to turn upside down the lives of others are notoriously tardy about updating their own working practices.

There have probably been complaints about the easy life of MPs since 1732 when Sir Robert Walpole won an end to Saturday sittings so that he "might secure at least one day's hunting a week". But the latest fuss about MPs' "six-month holidays" is scarcely fair. In the 1989-90 session they sat for 167 days, in 1988-9 for 176 days and in 1987-8, in the long session of an election year, for 218. That is not a bad average, given the need for constituency work and party conferences.

As Mr MacGregor says with feeling, having worked for 12 hours on constituency surgery work on Saturday with another two engagements on the Sunday of his bank holiday week-

end: "It is a travesty of an MP's life to suggest that he is only working when Westminster is sitting."

On average, the Commons sits for nine hours a day, including the shorter days on Fridays from 9.30am to 3pm. On about 80 per cent of Mondays to Thursdays, after their 2.30pm start, MPs sit later than 10.30pm.

But why cannot they work office hours, the Labour frontbencher Harriet Harman, a mother of three, says. Westminster's hours, she argues, are a deterrent to women. Graham Allen, her fellow frontbencher, has been campaigning since he came to the Commons in 1987 for a package of reforms including better accommodation, more office staff and sitting hours of 11.30am to 7.30pm in order to enable MPs "to do a proper job".

Douglas Hurd called for reform of working hours in his leadership campaign.



Allen: campaign since 1987 for reform package

John Major has expressed support for the idea. And Sir Norman Fowler, who left the cabinet to spend more time with his family, has called for an all-party committee.

Labour, still committed by an ancient NEC resolution to an 11.30am to 7.30pm day, has a committee on working hours due to report next week.

The counter-case has been that morning sittings would interfere with the committee work that has become ever more important to MPs. Ministers forced to be in the Commons then would be unable to perform their departmental duties. More powerfully, MPs with constituencies away from London ask what they are supposed to do with free evenings four days a week if sitting times are revised. The last time reform was mooted a group of (mostly Labour) Northern backbenchers made their point by tabling a motion welcoming it "immediately following the implementation of a decision to site the UK Parliament 150 miles north of Westminster".

Normal starting times in other parliaments are: France 9.30am, Germany 9am, Italy 9.30am, Japan 1pm, America Mondays and Tuesdays 12 noon, Wednesdays 2pm, Thursdays and Fridays 11am.

Bonn MPs sit for 25 weeks a year. In Italy the Parliament is closed for all of August and for a couple of days at Christmas and Easter. In France, parliament has two three-month sessions.

Devolution fear in Tory bunker

By KERRY GILL

UNTIL an outspoken Scottish Conservative parliamentary candidate hurled a grenade marked "devolution" into the party hierarchy's bunker, the Tories were looking forward to their Perth conference, which opens today, hoping that it would be a demonstration of new-found peace and harmony north of the border.

The past 12 months have not been a happy time for the Scottish party. It has been faced with having to promote the hated, and now defunct, poll tax, and split by internal dissension between left and right. Michael Forsyth, the former party chairman, was simultaneously dismissed by Margaret Thatcher and promoted to minister of state at the Scottish Office as number two to Ian Lang, the Scottish secretary. After his dismissal as chairman, the Scottish central office saw three senior officials dismissed by the new chairman, Lord Sanderson of Bowden.

With the appointment of John Major as prime minister, the Scottish party began to settle down. His popularity among Scots saw the Tories' support climb to 25 per cent, according to Mori, where it has more or less remained constant ever since. That compared with 19 per cent last October, the lowest it had been since early 1982.

Opposition parties said that the rise in Scottish Tory popularity was only evidence of a honeymoon period for Mr

VOTING INTENTION IN SCOTLAND

	Con %	Lab %	Lib/SDP Alliance %	SNP %	Other %
June '87	24.1	42.4	19.2	14.1	1.2
Mar '88	26	50	10	14	-
	Con %	Lab %	SLD/SDP %	SNP %	Other %
Apr '88	23	50	8	18	1
Sep '88	25	49	9	17	-
Dec '88	19	43	8	31	-
Feb '89	21	45	10	24	-
Apr '89	22	44	8	25	1
Jun '89	22	47	6	23	-
Sep '89	22	49	7	19	0
Feb '90	23	53	4	17	0
Apr '90	22	52	6	18	2
May '90	20	56	5	18	-
Jun '90	21	55	4	18	2
Aug '90	22	51	4	22	1
Sep '90	21	51	7	19	2
Oct '90	19	52	9	19	-
Nov '90	25	48	7	18	1
Dec '90	24	49	8	19	2
Jan '91	25	48	6	20	-
Feb '91	25	51	6	17	-
Mar '91	26	48	9	16	-
Apr '91	25	50	8	15	-

*Less than 1% per cent.

†General election

Mori Survey for the Sunday Times Scotland

Major, but the polls have indicated otherwise. Lord Sanderson, Ian Lang and Michael Hirst, president of the Scottish Conservative and Unionist Association, were able to point to former Conservative supporters returning to the fold.

This conference, they said, would not be spoiled by the schism that emerged last May when a small group of Tories tried to undermine the position of Malcolm Rifkind,

then Scottish secretary, with a call for Mr Forsyth to take over the position. The planned introduction of the council tax had taken the sting out of the poll tax dispute.

The devolution issue among Conservatives, it was believed, also had been scotched. But then Struan Stevenson, a leading party member and parliamentary candidate in Edinburgh, led the call for devolution.

The Scottish party, after

devolution was seen off at the end of the Seventies, enjoyed 31.4 per cent support in May, 1979. By the general election in 1987, however, support was at 24.1 per cent, four points lower than in June, 1983, and the Tories lost 11 of their 21 Scottish seats. It was a disaster for the party, with the Opposition claiming that the government had been left with no mandate to rule north of the border. Support stood eventually at about 22 per cent.

Meanwhile, Labour's support rose from 42.4 per cent in June 1987 and stayed comfortably over 50 per cent throughout last year. After Mr Major's accession to 10 Downing Street Labour's lead faltered and the Tories' popularity grew, reaching 26 per cent in March. Last month, it was 25 per cent. Much of the gain has been at the expense of the Scottish National Party.

With the dashing of the Tories' hopes of capitalising on the new found "Major factor", the new council tax and a peaceful party structure, however, today's debate on local government may bring renewed calls for devolution. The young Conservatives plan to force a vote on the issue with the intention of reinforcing present party policy. The hierarchy had left devolution off the agenda: only five relevant motions were received, none sympathetic to home rule. The organisers say that if there had been sufficient interest they would have allowed a debate.

مكتبة الامم

THE TIMES WEDNESDAY MAY 8 1991

Defence cuts 'put 52,000 jobs at risk in South-West'

By MICHAEL EVANS, DEFENCE CORRESPONDENT

UNCERTAINTY over the government's defence policy is hindering industry as it tries to prepare for projected spending cuts over the next ten years, a report said yesterday.

The government was also intensifying the short-term implications of the cuts in the defence budget by being blind to the depth of the recession, according to the report by a research unit in defence economics at Bristol Polytechnic. The South-West was

the most "defence dependent" region in the United Kingdom, with 155,000 jobs directly or indirectly linked to defence work. By 2000, at least 40,000 defence jobs would be lost because of a projected decline in defence spending of 25 per cent in real terms, the report said. It estimated that an additional 12,000 jobs could go because of the knock-on effect of reduced purchasing power in the region, after the projected 40,000 job losses. Redundancies could rise substantially if companies with even moderate defence exposure were to face closure because of the cuts.

The sooner the government made clear its intentions, the sooner the South-West could respond and produce strategies for revitalising its economy, the report, commissioned by a number of local authorities, said.

Defence expenditure in the southwest region was £3.38 billion a year, about 18.8 per cent of total defence spending in the UK. The report concluded: "Defence spending in the 1980s in the South-West contributed to prosperity and employment, insulating the region from the worst effects of economic recession."

Now, without an effective policy, defence cuts in the 1990s "will fracture this insulation, exposing the south west economy to the shock of rapid and unco-ordinated economic change".

The report called on the government, which is engaged in its "options for change" review, to make a "prompt and unequivocal" statement of future defence policy and the budget for the next decade.

However, the authors of the report were concerned that a comprehensive defence policy and budget review would not be completed and implemented until next year at the earliest, "prolonging the uncertainty". The study is said to be the first to draw a regional picture of the economic effects of the defence cuts. Expenditure on defence in the South-West was the equivalent of £720 per person, more than twice the national average.

Treasury-driven budget restraints would increase the pressure upon the most vulnerable defence-related areas of the South-West. Those included the Portland and Devonport naval bases, both of which are being reviewed under the options for change study. Vulnerable projects that would affect local economies if cancelled or cut, included the Royal Navy's EPH101 helicopter, which is being built at Yeovil, Somerset.

The report said that large defence companies were taking steps to prepare for imminent changes, but many sub-contractors were apparently unwilling to make the necessary changes.

The Impact of Reduced Military Expenditure on the Economy of the South West Region (Research Unit in Defence Economics, Bristol Polytechnic; £50)

Dowager to fight race-hate charges

THE Dowager Lady Birdwood, aged 71, accused of distributing anti-semitic leaflets to stir up racial hatred, was remanded on unconditional bail at Horseferry Road magistrates' court in London yesterday. She will fight the case at committal proceedings on June 11.

Jane, Lady Birdwood, as she prefers to be known, faces ten summonses under the 1986 Public Order Act relating to possession or distribution of four "threatening, abusive or insulting" leaflets.

The leaflets mentioned in the charges are entitled: "Jewish Tributes to our Child Marys"; "Another Blood Libel or Ritual Murder?"; "The Snides of March"; and "The Ultimate Blasphemy, Revelations from the Talmud". The Talmud is a compilation of Jewish law and tradition.

Lady Birdwood is accused on four counts of possessing the leaflets with a view to distribute them, and faces six summonses of distributing the leaflets on various dates between April and December of last year, intending that racial hatred would be stirred up, or in circumstances whereby racial hatred was likely to be stirred up.

Lady Birdwood, of Acton, west London, widow of the second baron and stepmother of the present Lord Birdwood, is the head of English Solidarity, a right-wing patriotic group. She stood as an independent Patriot against fifteen other candidates at the 1983 Bermondsey by-election, attracting 69 votes.



Lady Birdwood: facing charges over leaflets

Girl wins damages

Sara Fletcher, aged eight, of Crowthorne, Berkshire, who spent two years with a one-and-a-half inch screw in her windpipe, was awarded £10,000 agreed damages in the High Court yesterday. When she was two her mother took her to the family GP, Dr Walter Harcourt Lord, because she kept choking. The doctor sent Sara to Heatherwood hospital, Ascot, requesting an x-ray. The doctor there did not take an x-ray but diagnosed her as asthmatic which Dr Lord accepted.

Only when Dr Lord retired was an x-ray taken and the screw discovered. The award was against Dr Lord and East Berkshire health authority. Both admitted liability.

Action settled

Scott Thomson, aged 22, of Peterculter, Aberdeen, who was left blind, severely physically handicapped and with some brain damage, has settled a £1 million damages action out of court, the Court of Sessions in Edinburgh was told. The action was against the executor for the car driver who died in the crash in which Mr Thomson was injured.

Memory lanes

A coach company in Ipswich, Suffolk, is offering a nostalgic charabanc outing to the seaside at the 1929 price of sixpence, providing passengers are as old as the 62-year-old bus that will take them on the day trip.

Drink-drive ban

A former BBC chauffeur, Laiq Khan, of Wembley, northwest London, who drank vodka while driving his BBC car, was fined £400 and banned from driving for two years by Marylebone magistrates for driving with excess alcohol in his blood. He was sacked.

Green ceremony

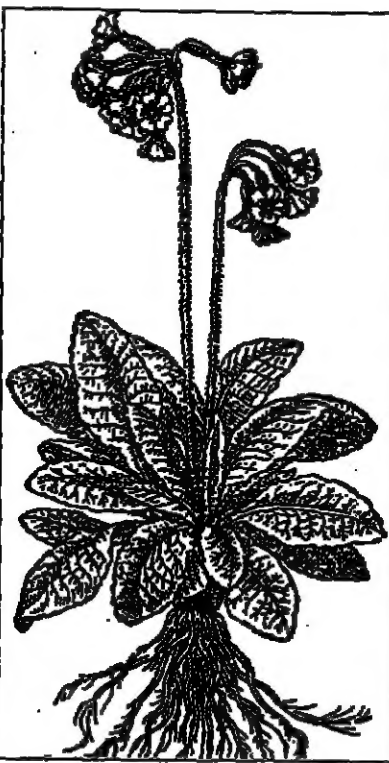
The seventh National Environment Week was launched yesterday in Scotland at a ceremony in Edinburgh's Royal Botanic Garden by Lord James Douglas-Hamilton, the Scottish environment minister.

Safety fine

The McDonald's fast food chain was fined £2,250 after a woman assistant at its Bury branch in Greater Manchester crushed her hand when a guard was left off a waste compactor. The company admitted fencing the machine insecurely and failing to notify the enforcing authority in writing within seven days of a reportable injury.

Boy savaged

Michael Parkinson, aged five, had to have nearly 80 stitches after being savaged by two rottweiler dogs outside his home at Bradford, West Yorkshire. One of the dogs was later destroyed. Police are considering whether to prosecute the owner.



Plant protection: Steve Prewer, centre, a warden working among bluebells in the Nower wood reserve, Surrey, is flanked by the field cowslip, left, and the field primrose, right

Wild flower guardians go into the field against seed thieves

By JOHN YOUNG

VOLUNTEERS from the Surrey Wildlife Trust are planning to guard meadows this summer from thieves who steal wild flower seeds and sell them to garden centres.

A similar vigil is under way in Oxfordshire to protect a field of rare monkey orchids. The Berkshire, Oxfordshire and Buckinghamshire

Naturalists' Trust is paying for a warden to guard the site during the flowering and seeding season.

Not long ago, when wild flowers were abundant in the English countryside, most seeds would have had little, if any, commercial value. But in recent years, the spraying of arable fields with chemicals and the ploughing and seeding of meadowland pastures with rye-grass have

drastically reduced their numbers.

Agricultural changes have coincided with a growth of interest in gardening and the consequent increase in the number of garden centres. Many people have come to appreciate the colour and variety of wild flowers as opposed to more conventional garden plants.

Nearly 100 varieties of wild flower are protected under the

Wildlife and Countryside Act and people caught picking them can be fined. But it is not illegal to take seeds, except from sites of special scientific interest, and this is seen as a serious loophole.

"We have evidence that extensive areas have been systematically stripped of seed-heads after flowering is over," a spokesman for the Surrey trust said yesterday. "That

can only be for commercial purposes. We are not talking about just one guy who wants a few seeds for his back garden."

Orchids have long been a special case because of their rarity value. But the target list has expanded to include primroses, viper's bugloss, salad burnet, wild strawberry and "almost anything that is pretty and distinctive".

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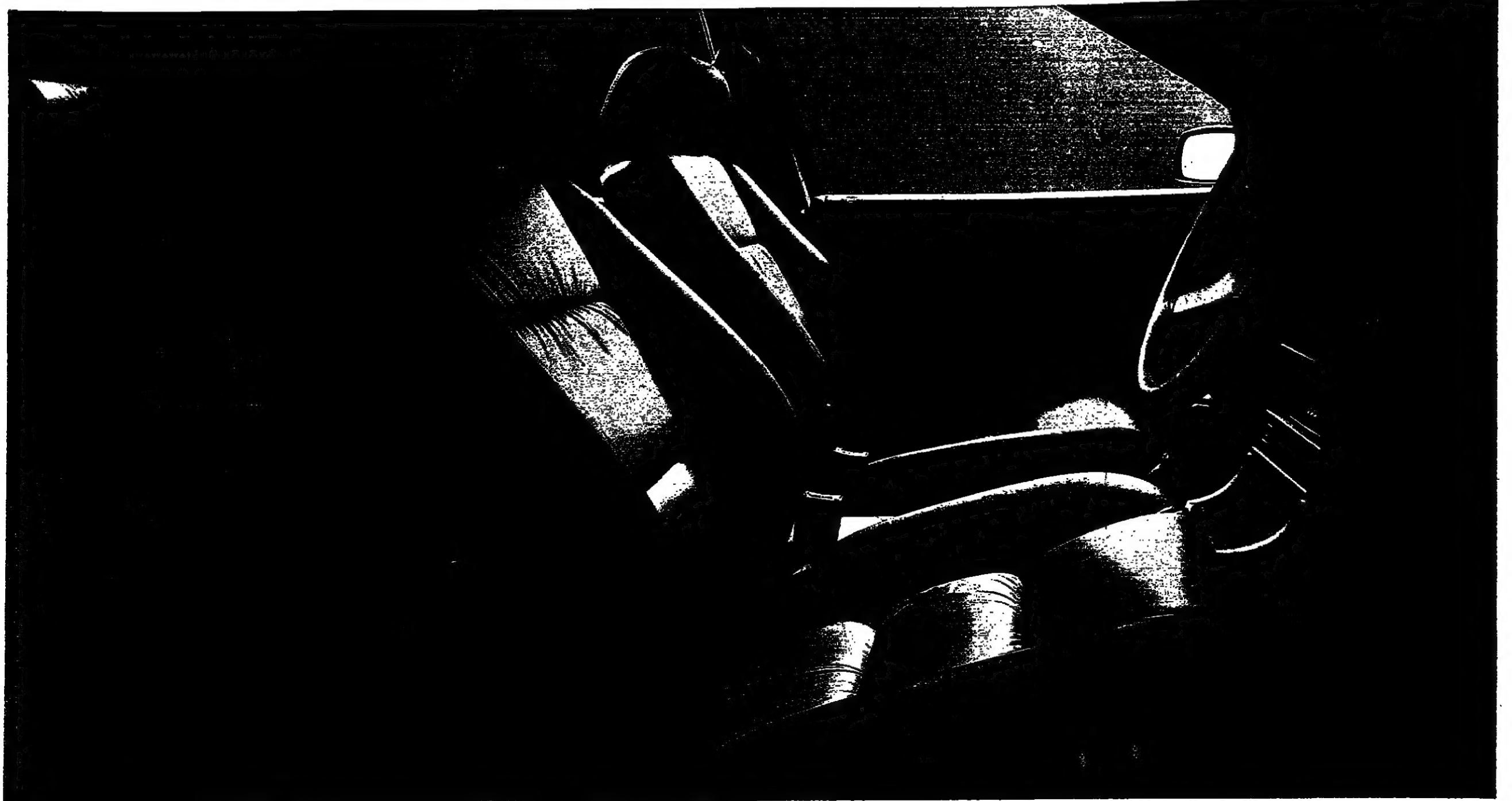
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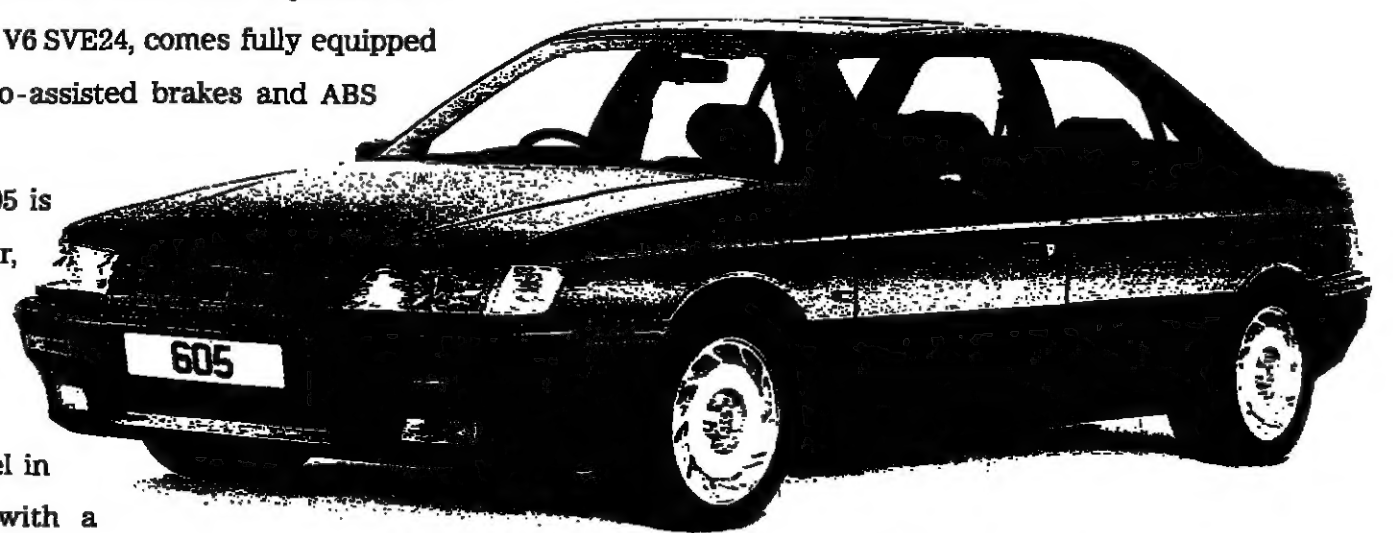
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صكرا من الامل

Second storm hits Bangladesh as aid operation falters

By CHRISTOPHER THOMAS IN DHAKA AND OUR FOREIGN STAFF

A TORNADO cut a second swath of destruction through central Bangladesh yesterday, leaving about 100 dead and more than 200 injured, unconfirmed reports say. It battered the industrial township of Tongi, 12 miles north of Dhaka, flattening homes, uprooting trees and disrupting power lines. Rescue workers say they recovered five bodies from under a shattered home.

The storm struck just as the Bangladesh government was putting the finishing touches to a "master plan" to bring relief to an estimated ten million people in the south of the country affected by the cyclone eight days ago. Begum Khadija Zia, the prime minister, said yesterday: "It will be ready the day after tomorrow. You will appreciate it takes time."

Defensive and appearing exhausted, Begum Zia attempted to paint a positive picture of a relief operation which plainly has so far been woefully inadequate. Nothing reveals this more starkly than the set of coloured charts on the walls of the army's emergency central control room in Dhaka, showing how little material help has been distributed by the government.

This is the sum total of supplies delivered by army planes and helicopters in the first seven days after the cyclone a week yesterday: 730,000 chapatis, 940 tents, 1,000 blankets, 3,855 jerry cans, 943 cartons of biscuits, 85,000 sars, 68 tons of gar (a high-calorie sugar product), 144 tonnes of dried rice and 1,472 tonnes of wheat.

The prime minister plans to leave the country for up to five days on Saturday for a religious pilgrimage to Saudi Arabia and an official visit to Kuwait. It is now plainly up to the army to sort out the chaos of the relief effort. Brigadier M. S. A. Bhuiyan, in charge of the central control room, updated more figures yesterday. The number of deaths is 125,719; houses destroyed, 522,365; houses partially destroyed, 431,293; and cattle killed 108,399.

The army has set up control centres in the southern towns of Chittagong, Noakhali and Bhola. Eleven helicopters, including some sent by India and Pakistan, are now available for delivering emergency relief. "We will make 14 helicopter sorties today," the brigadier said. "We expect to drop 40 tonnes of supplies."

Pressure: Begum Zia at her press conference

Pressure: Begum Zia at her press conference

Desperate mothers tied babies to trees

FROM REUTER IN DHAKA

RESCUE teams have found dozens of dead babies tied in trees along coastal areas battered by the most powerful cyclone in Bangladesh's history, a member of parliament said yesterday.

Moudid Ahmed, a former vice-president, who returned on Monday night from a tour of Noakhali district on the Bay of Bengal, said: "Parents tried to keep the children high up in the tree branches and tied them with cloth." He explained that they hoped the children would be safe from the tidal wave that swept over the low-lying, densely populated coast eight days ago.

"They selected certain trees which are very strong - a thorny tree found along the coast to solidify the soil," he said. "Usually there is a platform in their huts where they put the children and valuables if there is flooding, but if they see the water rising and have to flee, then they put the children in the trees." Most of the cyclone victims were women and children, he added.

Police to press for Kennedy rape trial

FROM CHARLES BREMER IN NEW YORK

AFTER a five-week investigation, Florida police are planning to recommend that William Kennedy Smith, the nephew of Senator Edward Kennedy, be prosecuted for the alleged rape of a woman at the Kennedy family mansion in Palm Beach on Easter Saturday.

He could face a maximum prison term of 15 years if convicted on the charge of second-degree sexual battery. Florida law classifies the offence as forced sexual intercourse without threat to the woman's life.

According to press reports yesterday, the police had concluded that there was a strong enough case to bring charges over the highly publicised incident and that the woman had the emotional stamina to withstand the harsh cross-examination of defence lawyers.

Mr Smith, aged 30, a Washington medical student, has denied attacking the woman but has not denied having sex with her. The couple met at a bar when Mr Smith was on an outing with his uncle and cousin. She returned with the group to the family house in the small hours of the morning. She claims that Mr Smith attacked her as they returned from a swim in the sea.

The state's attorney general may now either ask a grand jury to decide whether to prosecute, file charges



Kennedy Smith: has not denied he had sex

of lawyers and investigators to demolish her case. The woman, whose naming by The New York Times and NBC television caused a furore last month, is backed by her wealthy stepfather, who has a long-standing business score to settle with the Kennedys. He is said to be determined to press the case and avoid any pre-trial settlement.



Children of the storm: a little girl cuddles her eight-day-old brother, born at the height of the cyclone and named Jibon (Life), as they wait for food.

Rebels say US food cut

FROM REUTER IN KHARTOUM

ETHIOPIAN rebels accused America yesterday of cutting off grain supplies to the famine-stricken north of their country. They said the move, undertaken for political reasons, threatened emergency supplies of food to millions facing starvation in the region.

Relief officials from the two main rebel groups said Washington was trying to put pressure on the rebels to join peace talks with the Ethiopian government and end the civil war. An official of the Relief Society of Tigré said: "The US is trying to use relief food as a means of political pressure. Otherwise, there is no reason for the shift at a time when the international community has recognised the seriousness of the drought."

Robert Frasure, an American National Security Council official, last week urged leaders of the rebel groups in Khartoum to join peace talks with the Addis Ababa government. American grain used to be taken into rebel-held parts of northern Ethiopia by lorry from Port Sudan. But the rebel relief agencies said no American food had arrived this year from the port. Up to 2.5 million people in the north are supplied by the cross-border operation.

Police in Seoul raid mortuary

Seoul - Police stormed into a hospital mortuary in a suburb of the capital yesterday and seized the body of a union leader who died in police custody, prompting violent clashes with angry workers and students.

Riot policemen hammered their way through a wall of the mortuary of Anyang hospital, overpowered occupying workers and students and seized the body of Park Chang Soo. Some 100 workers and students, who had put up strong resistance against the police raid by hurling tiles from rooftops, were detained by the police. Protests also continued at South Korean university campuses and in the streets here. (AFP)

Kashmir clash

Delhi - Pakistan condemned the killing by Indian troops of 68 Kashmiri militants near the line dividing the Indian and Pakistani parts of Kashmir and said the world must force India to end its "reign of repression". (Reuters)

Treason trial

Kampala - Omara Atubo, the Ugandan foreign minister, two MPs and 15 others, who appeared in court on treason charges, accused the army of beating them. (AP)

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Police impose curfew to end rioting in Washington

FROM MARTIN FLETCHER IN WASHINGTON

POLICE used tear gas and imposed a curfew from midnight to 5.00am in a Hispanic district less than two miles from the White House yesterday after the worst racial disturbances seen in the nation's capital since the assassination in 1968 of Martin Luther King.

Sharon Pratt Dixon, Washington's new mayor, was forced to declare a state of emergency during a second night of rioting by roving bands of several hundred youths. Armed with stones and petrol bombs, the gangs looted shops, set fire to cars and property and fought running battles with armed policemen.

By yesterday morning more than 50 people had been

arrested, 13 police officers had been injured and 13 police cars damaged. Scores of helmeted police stood on street corners, pavements were littered with broken glass, discarded tear-gas canisters and piles of burnt rubbish, and workmen boarded up shops.

As police fought block-by-block to reclaim the Mount Pleasant district on Monday night, the rioters split southwards towards the fashionable restaurant area of Adams Morgan. "It's the worst I've seen since Sixty-eight," said Edward Spurlock, Washington's deputy police chief. Some black youths had joined the disturbances, but there was no immediate sign that the rioting would spread to black areas of the city.

The trouble first erupted on Sunday evening after a woman police officer shot and critically wounded a Hispanic man who, according to police spokesmen, lunged at her with a knife while resisting arrest.

Witnesses claimed the man was shot while he had both arms handcuffed, but in any event the incident was enough to ignite the smouldering resentments of a community which had long considered itself ill-treated.

In a bid to defuse tensions, Mrs Dixon, who is black, had visited Mount Pleasant during Monday to meet community leaders. What she heard was a litany of complaints about harassment by the city's largely black police force, high unemployment, overcrowded housing, poor education and a city administration whose social agencies have all but ignored them. Many of the rioters later chanted "Justice for all" and, at the police, "Asesino".

Excluding the affluent suburbs in Maryland and Virginia, Washington is about 70 per cent black and 10 per cent Hispanic, the latter including thousands of illegal immigrants from El Salvador and other troubled Central American countries.

The Hispanics are too disorganised to have political influence and the language barrier impedes their participation in the democratic process. They are under-represented in the city's administration and fewer than 3 per cent of Washington's 4,900 police officers are Hispanic.

Mrs Dixon, who was warned of a "very hot summer" if she did not act fast, announced on Monday that she would establish a task force to address their concerns, but that was not enough to stop another night of rioting.



Burning resentment: riot police awaiting orders for action as a car, set ablaze by rioting Hispanic youths, blazes in the Mount Pleasant district of Washington. The disturbances took place less than two miles from the White House

US press discovers Quayle's strengths in face of poll blows

FROM MARTIN FLETCHER IN WASHINGTON

TWO new polls yesterday showed that in the wake of President Bush's health scare, a majority of Americans believe he should drop Dan Quayle as his vice-presidential running mate for 1992.

A Washington Post-ABC News survey showed 54 per cent of respondents wanted Mr Bush to pick someone better qualified to take charge of the country should he be incapacitated; 57 per cent said Mr Quayle was not qualified to do so. A USA Today poll showed 51 per cent of respondents wanted Mr Quayle off the 1992 ticket, with 61 per cent saying they considered Mr Bush's vice-presidential choice as a "somewhat" or "very" important issue.

Mr Bush has stated flatly that Mr Quayle will be his 1992 running-mate and reiterated his full support for his vice-president on his return from hospital on Monday.

The president resumed a full workload at the White House yesterday with a heart monitor strapped to him and nurses keeping constant surveillance from a room adjacent to the Oval Office. At Barbara Bush's bidding, the president also switched to decaffeinated coffee.

Martin Fitzwater, the White House press secretary, said that there had been no recurrence of the president's irregular heartbeat since early on Monday morning, that he had "slept like a log" on Monday night, and that he would be undertaking three out-of-town

trips at the weekend. Mr Bush said he was "back to normal and feeling great". There was some evidence that the Quayle controversy could yet rebound in the vice-president's favour. The Wall Street Journal noted that he had effectively championed a number of conservative causes and asked: "We wonder how much he's being ridiculed because of his shortcomings and how much because of his strengths." The editorial was accompanied by an article detailing his successes in lobbying for Republican causes, in promoting US trade overseas, on the campaign trail and as a leading hawk during the Gulf war.

A Washington Post editorial said Mr Quayle's competence was a legitimate issue for discussion but there had been "much that was unfair and disproportionate in the (media) assault" on him. In The New York Times a former editor, A. M. Rosenthal, said Mr Quayle was "far more able and sophisticated" than generally depicted and argued that it was "time to come to fresh conclusions about Mr Quayle instead of being bound by old commitments or distorted caricatures".

MOSCOW: During a meeting with Jack Matlock, the American ambassador to the Soviet Union, President Gorbachev enquired after President Bush's health yesterday and "expressed his profound satisfaction that Bush had recovered". (Reuters)

Madonna goes to greater lengths to shock America

FROM CHARLES BREMNER IN NEW YORK

IF PRESIDENT Bush's heart had not played up, one face alone would have dominated the American media over the past few days, that of Madonna. After a lifetime of advance publicity, America's most notorious singer and actress has launched a film about herself that has drawn both praise and scorn, including suggestions that she needs treatment.

"What a tramp... shameless hussy... depraved," exclaimed the New York Post across its front page about *Truth or Dare*, the film in which the self-styled queen of sleaze bares her

soul and much of her body to a camera she appears to have lived with on her Blond Ambition concert tour. The Post accused her of blasphemy, corruption, sexual deviance, greed and a multitude of other sins. "If ever there was an emotional cripple, it is Madonna... you have to wonder where and how it is all going to end," it said. Eliciting outrage is of course the professed goal of the superstar who has made a career out of shocking standards of public decorum for the past decade.

An outsider might think that after her last tour, in

which the Canadian police came close to arresting her for simulating masturbation, and her sado-masochistic video banned last year by the MTV pop channel, Madonna would have little left in her arsenal and America would move on.

But Madonna, now aged 33, has an uncanny ability to match the voyeuristic urge of her countrymen with her own drive for exhibitionism. Time magazine has commissioned a poll which shows that 24 per cent of the population was still interested in hearing more about Madonna.



Turning heads: Madonna with a new dark hairstyle at the premiere of her film *Truth or Dare*, with her brother Christopher Cioone, left, and director Alek Keshishian

Accord close on township violence

FROM GAVIN BELL IN JOHANNESBURG

THE South African government and the African National Congress are edging towards an agreement on defusing political violence in black townships, which would remove the immediate threat of a rupture in negotiations between them.

After intensive discussions yesterday, President de Klerk and Nelson Mandela, the ANC deputy president, appeared to be preparing an agreement based on ANC demands for specific measures to curb the strife.

The ANC would reconsider its threat to suspend negotiations with Pretoria tomorrow if it received a satisfactory response to three key demands: the banning of traditional weapons favoured by Zulu supporters of the Inkatha Freedom party, the phasing out of migrant workers' hostels which Inkatha militants have transformed into armed camps, and impartial conduct by the security forces.

Agreement on the last two issues was virtually assured, but the question of Zulus bearing so-called "cultural" weapons in public remained problematic. Inkatha leaders claim the fearsome array of spears and clubs brandished by mobs in the townships are deeply rooted in Zulu culture and therefore indispensable. Mr de Klerk was expected to discuss the issue last night with Mangosuthu Buthelezi, the Inkatha leader, before meeting Mr Mandela.

The ANC has evidently dropped its toughest demands, for the resignation of the ministers of defence and of law and order, paving the way for a compromise agreement. It has also approved proposals for church leaders to convene a broad-based peace conference, as an alternative to government plans to stage similar talks with ANC and Inkatha leaders later this month.

With both the ANC and Inkatha expressing reservations about talking peace under Pretoria's tutelage, the clerics' initiative seems the only way out of the impasse.

Fighting continues unabated in townships around Johannesburg and in Natal. The overnight death toll reported yesterday was 28, including five in Soweto, which brought the total there in the past week to 71.

Defence claim: George Bizos, Winnie Mandela's lawyer, said that she was the victim of a conspiracy to discredit her and that prosecutors failed to prove assault and kidnapping charges. He began his summing up by saying the state had not produced any evidence to convict his client and the judge must find her innocent. He also accused a key state witness of lying. (AP)

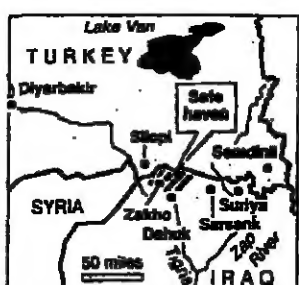
Thousands of Kurdish refugees head home

FROM EDWARD GORMAN, AVAGUSI, ON THE TURKEY-IRAQ BORDER

AS thousands of Kurdish refugees streamed through this border staging post on their way home yesterday, the senior United Nations official in the region said the repatriation was going better than could have been expected only a few days ago.

Staffan De Misura, the UN special envoy for northern Iraq, travelled here to help organise the movement of refugees to the tented city at Zakhu, in the safe area, about one hour's drive away.

They were coming of their own volition on foot from the



huge refugee camp at Ishikveren, a mile to the north of here. Then they were being loaded on to lorries for the journey down from the mountains.

Mr De Misura said he believed refugees were making a realistic choice in electing to take advantage of the safe haven where there was transport, food, medical assistance and shelter, and the prospect for many of returning quickly to their homes.

He said the timetable for the completion of the repatriation on the Turkish border was up

to the refugees themselves, but he added: "They are responding so enthusiastically that it is going better than expected. We had planned for 2,000 a day (here). Now we are getting 4,000 to 5,000."

He said the operation at Avagusi involved American, French and British soldiers, and army trucks under the supervision of the UN. This was a so-called blue route starting and ending inside Iraq.

It was also a testing ground for the massive repatriation effort, code-named Operation Gallant Provider, which will involve up to 200,000 refugees and is expected to be launched later this week by the joint coalition command.

The Avagusi operation also involved scores of Kurdish lorry and tractor drivers who were paid one American dollar for every refugee they brought down.

American special forces soldiers helping to load the refugees, said Ishikveren camp near the border in the mountains, where around 100,000 people had accumulated at its peak, is now only one third of its earlier size.

The soldiers said the refugees, most of whom are from Zakhu and Dahuk, seemed very keen to get home. "Everybody I have talked to says as long as the Americans, the British and the French are in Zakhu and Dahuk, they will go home," said Staff Sergeant Tony Carey of the 1st Battalion, 10th special forces group.

Sergeant Carey, who has worked in Ishikveren for two

weeks, said yesterday was the first day in which the refugees had begun moving down in droves. "It's really satisfying to start something and finish it," he said as he helped children and old men and women into the back of waiting trucks.

"Getting them back to their property for me is the light at the end of the tunnel. Of course, starting their life again is going to be a hard process, but they made that decision when they left," he added.

US military sources said no decision had yet been made for coalition forces to move into Dahuk. US soldiers are within a few miles of it and are believed to have penetrated its suburbs at night.

Bonn talks to Tehran on hostages

FROM IAN MURRAY IN BONN

HANS-DIETRICH Genscher, the German foreign minister, who is on a three-day visit to Iran, had "a very pleasant meeting" of an hour and a half with President Rafsanjani and other leaders in Tehran yesterday, in which he emphasised that all Western hostages in Lebanon should be released if Iran wanted to re-establish good links with the West.

Trade links are important to Bonn and the German-Iranian economic commission, which last met in 1976, is being resurrected to reconvene in Tehran at the end of next month.

Superpowers try parallel peace initiatives in the Middle East

By PETER STOTHARD, US EDITOR, IN WASHINGTON AND MARY DEJEVSKY IN MOSCOW

JAMES Baker, the American Secretary of State, and his Soviet opposite number, Aleksandr Bessmertnykh, are to meet in Cairo on Sunday to discuss their simultaneous Middle East peace missions.

Egyptian sources in Washington said yesterday. Mr Bessmertnykh, who begins his tour in Damascus today, will also visit Israel and Jordan, the same destinations as Mr Baker, who begins his tour on Friday. Both diplomats will be looking for ways to promote a peace conference under superpower auspices acceptable to Israel and its Arab neighbours.

For Mr Baker it will be a fourth visit to the region since the end of the Gulf war. His mood appears to have swung between occasional bouts of

optimism and longer periods of gloom. Observers in Washington are divided as to whether the naturally secretive secretary of state is achieving more than meets the eye, but there is a strong fear among Israeli supporters that the administration has a dé-marche ready to deliver to Jerusalem at the ripe time.

Mr Bessmertnykh is making the first official visit by a Soviet foreign minister to Israel since Moscow severed relations in 1967. He hopes to meet Yasser Arafat, leader of the Palestine Liberation Organisation, but the venue has not yet been fixed.

Vitali Churkin, the Soviet foreign ministry spokesman, said "technical arrangements" for the Lebanon visit had not been completed, but con-

firmed that Moscow would "do what it could" to bring forward the release of Western hostages. Mr Bessmertnykh would be taking with him "some ideas, we think good ideas" that could contribute to normalising the situation in the region, but the Kremlin had no "sweeping peace plan".

There has been a subtle divergence in America's approach to a possible international conference on the Middle East and the Soviet approach, with Moscow favouring UN involvement from the beginning.

Mr Churkin implied at a briefing on the same day that Moscow might be considering a compromise, possibly a conference held in stages, with the UN entering the talks later.

Lebanon runs into potholes on road to recovery

FROM JUAN CARLOS GUMUCIO IN BEIRUT

THE civil war may be over, but the Lebanese who have endured 16 years of violence are quickly discovering the potholes on the road to peace.

Inflation, unemployment and crime are rising at an alarming rate, damping hopes for a swift transition to order and prosperity and testing the ability of the Syrian-backed government to cope.

Within days of the formal proclamation of the end of the conflict, President Elias Hrawi is facing a range of protests which threaten to paralyse the country indefinitely from tomorrow. About 70,000 teachers and university professors are already on strike in sup-

port of pay demands by the staff of Lebanon's 83 banks, most of which had to close after a walk-out on Monday.

Public discontent with the economy is eclipsing the celebration inspired by the implementation of Lebanon's most serious peace plan. Marwan Hamade, the economy minister says optimistically the recovery of the economy could be possible in one or two years and that Lebanon could regain its buoyant role in the Middle East by the end of this decade.

President Hrawi's approach to law and order may be tough, but it has not been too tactful: the government

caused national indignation by the arrests of members of the Union of Bank Employees who were organising the strike. They were later released on bail, but the unions denounced government interference with workers' rights and called a national strike.

Economic conditions worsened after the ministry of oil and industry imposed an 18 per cent tax on petrol last month. Perhaps the most widespread complaint is that, despite the improvement in security, the Lebanese pound has not made significant gains in relation to the American dollar.

Discontent and frustration have extended to the cabinet, with ministers openly criticising the government's inability to provide jobs for the estimated 20,000 ex-militiamen of the disbanded private armies. Nabih Berri, the Shia Muslim leader of the Amal movement and a state minister, has gone as far as saying that official incompetence could inspire a popular uprising, while his former foe, Walid Jumblatt, Druze leader of the Progressive Socialist party, who also holds a cabinet post, is intensifying his attacks on the president for not fulfilling his promise to provide employment for ex-militiamen.

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Hrawi: tough but not tactful enough

Heat may have saved the Gulf

Riyadh - The world's biggest oil spill has devastated Saudi Arabia's northeast coast but large areas of the Gulf may have had a lucky escape. A combination of hot sunshine and slow moving currents could have protected much of the waterway from up to six million barrels of oil which poured into the sea from Iraqi, Kuwaiti, and Saudi installations and tankers damaged during the Gulf War.

Environmentalists believe the Gulf's high salinity made the oil float on the surface, leaving it to evaporate under the blazing sun. Fifty to 70 per cent of the oil would have disappeared in 24 hours as its lighter constituents evaporated. (Reuters)

Deal on milk

Wellington - The New Zealand Dairy Board has signed its first deal with Iraq since sanctions prohibiting the sale of food and medicines were lifted. It will ship 500 tonnes of whole milk powder to Baghdad this month. (Reuters)

Crops relief

Baghdad - Six Polish helicopter pilots are due in Iraq to spray crops in the Kurdish north under United Nations supervision, a senior UN relief co-ordinator said. (Reuters)

Desert takeaway

Kuwait - A hamburger stall run by the US Army on the Kuwait-Basra road closed yesterday. The stall served free hamburgers to soldiers and journalists. It was like a mirage, a French photographer said. (Reuters)

THE TIMES WEDNESDAY MAY 8 1991

Yugoslav army ready to hold line as federal defences crumble



Kadijevic reserved the right to intervene

THE army's ultimatum to the Yugoslav leadership — to stop the ethnic bloodshed or it intervenes — reflects the fear among the top brass that the country is skidding out of control and swiftly becoming a European version of the Lebanese conflict.

Although the army appears to have no taste for martial law, which would in any case be impossible to enforce, it regards itself as the only functioning federal institution in Yugoslavia since the presidency is paralysed and the weak federal government is unable to make reforms stick.

The army takes seriously its constitutional responsibility to prevent a civil war. The shooting of a soldier and the sight of Croatian demonstrators dragging troops out of armoured cars also has jolted the high command, indicating that its authority, too, is waning quickly. About 70 per cent

As civil war looms between Croat and Serb, Roger Boyes reports that the authority of the military is weakening daily, hindering both its will and ability to intervene

of the Yugoslav officer corps consists of Serbs and almost all of the defence industry is based on Serbian territory. These facts have persuaded the Croats that the Yugoslav army is not politically neutral but an instrument of the present Serbian leadership.

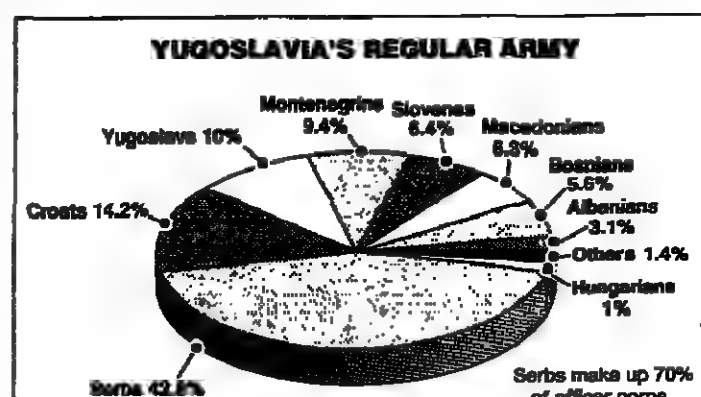
This suspicion was driven home on March 9 when the Serbian communists deployed Yugoslav tanks against anti-communist demonstrators in Belgrade. That was a profound blunder which seriously compromised the army's neutrality. Under General Veljko Kadijevic, the defence minister, the army tried to put things right.

First, he fought off Serbian pressure to declare a military state of emergency. Then he declared that the army would not meddle in talks to decide the future of Yugoslavia. But he reserved the right to intervene in violent ethnic or political conflicts anywhere in the country.

When he dispatched troops to Croatia last month they were intended to act as a peacekeeping buffer between armed Serbian minority activists and the Croatian police. The army apparently wanted to play a similar role in the current flare-up — but the conflict has gone well beyond the dimen-

sions of the Easter shoot-out in Plitvice national park. The Croats view the army presence as a Serbian occupation and a partisan intervention on behalf of the Serbian minority in Croatia. Although the army has sworn that it will not take part in any attempt to change by force the internal borders of Yugoslavia, the Croats simply do not believe it.

Technically, the army is subject to the command of the collective presidency. But this institution, which rotates the leadership between the six republics and two provinces, is as divided as Yugoslavia itself. The result is that the army is making up the rules by itself and trying to carve out its own political space. Next week the leadership of the collective presidency is due to pass to Croatia — reason enough for the Serbian nationalists in the officer corps to urge quick action. Whether the



army can put a stop to the ethnic conflicts or hold Yugoslavia together is doubtful. Although the officers are predominantly Serbs, the 138,000 soldiers are drawn from all regions. An attack on Croatia and Slovenia, which has declared it will break away from

Yugoslavia in June, would test the loyalty of many ordinary soldiers. Such a move would be bloody: there are 34,000 paramilitary troops in the two republics and tens of thousands of guns have been flowing into Zagreb and Ljubljana in the past six months.

Ryzhkov in US-style challenge to Yeltsin

FROM MARY DEBEVERLY IN MOSCOW

NIKOLAI Ivanovich Ryzhkov, formerly prime minister of the Soviet Union, returned to the limelight this week to launch his bid for the presidency of the Russian Federation. In his first public appearance since his heart attack in December, Mr Ryzhkov declared that he was standing for the presidency only because he considered it his "civic duty". So many people pleaded with him to run, he told reporters at his campaign headquarters, that he decided to do so.

Adopting an uncharacteristically competitive tone, he insisted that he was in the race "only to win". Why Mr Ryzhkov should submit himself to a gruelling campaign that seems temperamentally

so alien to him is a mystery to some of his followers. He promises to run the Soviet Union's first American-style race for the presidency. He has hired a young and worldly-wise consultant, who knows the international ropes. He plans a lightning tour of the country with his own travelling media circus.

How the Russian public will respond is another matter. Mr Ryzhkov and his wife, in some tear-jerking interviews long before the possibility of the presidency arose, gained much public sympathy. But this may not be enough. Sympathy is balanced by contempt for what is seen as the former prime minister's ineffectiveness in office.

Then there is his health problem. While Mr Ryzhkov has not laid himself open to the "Quayle factor" by judiciously declining, as yet to name his running mate, many doubt his stamina for the campaign, let alone the subsequent burdens of office.

But the Ryzhkov campaign cannot be dismissed out of hand. True, he will face the hot favourite, Boris Yeltsin, but the leader of the Russian Federation could yet come a cropper and his own health is not what it should be. But aside from seeming a "nice man", Mr Ryzhkov has certain personal advantages and a number of exceptionally powerful backers. He will be "backed" as the acceptable face of conservatism, a man whose obvious sincerity, reasonableness and dislike of bluster could prove a powerful foil to Mr Yeltsin.

He also has on his side the Russian peasant Union, the conservative constituency in agriculture, and probably the Russian Communist party.



Ryzhkov: standing for president as civic duty

Kremlin backs free travel

FROM REUTERS IN MOSCOW

PRESIDENT Gorbachev supports a move to allow Soviet citizens to travel freely abroad, Vitali Ignatenko, his spokesman, said yesterday. But easing the restrictive laws on foreign travel is likely to cost billions of dollars.

Officials said an emigration law under discussion would cost about 12 billion roubles (£1.2 billion at the tourist exchange rate) in new passports and customs forms. Moscow would also have to review aviation agreements with other countries to increase its number of outward-bound flights, they said.

The Soviet parliament, which has already postponed consideration of the bill several times, scheduled a vote on it for next Sunday. Tass said that the high price of the new legislation would place another burden on the collapsing economy.

But it dismissed speculation that a vote would be delayed indefinitely. "Soviet international commitments do not allow for further delays in eliminating artificial obstacles to migration," Tass said.

Mr Ignatenko said: "To our regret, the bill has gone through several readings, but it is being fully supported by the president."



Look here: the Prince and Princess of Wales standing on the medieval Charles Bridge in Prague with the turrets of Prague castle in the background. The prince told his Czechoslovak hosts to beware of planners and architects

Minimum incomes proposed

FROM GEORGE BROCK IN BRUSSELS

FIRST steps in an attempt to align Europe's social security systems ahead of the 1992 single market were announced here yesterday, but new guidelines drawn from the controversial Social Charter will barely affect richer northern welfare states such as Britain. The European Commission agreed, and will now pass to national governments for approval, a "recommendation" which will encourage but not force four southern states to create or improve minimum income systems. The measure specifies no amounts, or percentages and confines itself to indicating broad principles.

Northern states fear that, as border controls come down over the next two years, workers from the community's poorer southern regions will flock northwards.

González calls on UK to find Gibraltar solution

By MICHAEL BRYNOR, DIPLOMATIC EDITOR

FELIPE González, the Spanish prime minister, yesterday urged Britain to make an "effort of imagination" to find an acceptable solution for the future of Gibraltar. He said at the start of a two-day visit that it would be difficult to establish easy relations as long as the "Gibraltar problem" persisted. Bilateral, European Community and multilateral relations were affected by this "hold over from history".

At a Downing Street dinner he said it would not be wise in any solution to forget the Gibraltarians. "But at the same time it should not be wise to take only their wishes into account. Perhaps it is up to the United Kingdom, in view of the special relationship with its colony, to make an effort of imagination. We are willing, as always, to help in this task," he said.

Talks between London and

Madrid on the Rock's future have been held regularly under the Brussels process, but have yielded little progress recently. At the last round in London in February, they agreed only on minor regulations for combating drug smuggling and improving cross-border environment and tourism. There has been no substantial discussion of the sovereignty issue.

Señor González, who was received by the Queen at the start of his visit yesterday, also called for progress in the development of a common European foreign and defence policy. But he said this must be accompanied by a greater transfer of money to the community's poorer members such as Spain.

Spain's community partners yesterday criticised it for holding out for too much money in regional transfers.

Britain is also cool about Spain's plans to redistribute EC funds to poorer members. In talks with the prime minister, Señor González, accompanied by Francisco Fernández Ordóñez, the foreign minister, and Carlos Solchaga, the finance minister, took a conciliatory line on political and monetary integration. Spain has also expressed reservations over other EC members' plans for economic and monetary union, and together with Britain strongly opposes any "two-tier" Europe.

But Señor González firmly backs a federalist position on the pooling of defence and foreign policy and also wants a bigger role for the European parliament. He was due to come for talks here last November, but the visit had to be postponed after Mrs Thatcher fell from power.

Call-up adds to fears of civil war in Belgrade

FROM TIM JUDAH AND DESSA TREVISAN IN BELGRADE

HOURS after General Veljko Kadijevic, the minister of defence, issued his barely veiled threat to Yugoslavia's politicians to resolve their differences or risk a military intervention, tanks were manoeuvring on the outskirts of Belgrade and call-up notices were being delivered to reservists.

The army yesterday controlled three bridges over the Danube which link Croatia and Serbia, as Yugoslavia's federal presidency continued to meet in emergency session. Franjo Tudjman, the Croatian leader, snubbed it, however, and departed for London.

Before leaving, Dr Tudjman said his republic could "no longer bear a situation in which the legal Croatian authorities were created as if on a par with Serbs rebelling against the constitutional order". He was referring to the uprising of Serbs in Croatia who are opposed to his separatist policy.

Despite the attempts to find a last-minute political solution, the verbal war between Serbs and Croats continued. The accusations coming out of Zagreb yesterday were that Belgrade was involved in "perfidious manipulation" of "Serbian terrorists".

The death of a soldier on Monday during demonstrations against the army in the Croatian coastal town of Split has provoked demonstrations in Macedonia, the soldier's home republic, with protesters demanding that Macedonian soldiers be sent home. If accepted, this could see the disintegration of Yugoslavia's army along the ethnic fault lines which have destroyed all other federal bodies.

In Belgrade, the moderate newspaper *Borba* noted that comments made by Dr Tudjman which appeared to encourage Monday's riot meant that "his appeals for reason and peace are senseless". It noted that this first attack on a military base "by an enraged mass of once easy-going Mediterraneans has strained the patience of the military to its very limits".

Ordinary life in Croatia has practically come to a standstill, with reports of bombings and roadblocks throughout the republic. Weapons have been piling up in towns and villages and warlike speeches are whipping up tension. At the weekend Dr Tudjman complained that a factory he visited was not producing armoured vehicles and workers protested against the delivery to the Yugoslav army of new tanks built in Croatia.

In Serbia, opposition leaders yesterday united in denouncing the leaders of

both their own republic and that of Croatia as "national socialists," saying: "They are pushing us down the road of political suicide and mutual destruction, when the only frontiers worth negotiating are the frontiers of freedom."

In another demonstration of concern, the Roman Catholic Patriarch of Croatia and the Serbian Orthodox Patriarch met for the first time to discuss events. Slovenia, which has declared that it will secede on June 26 if a final settlement is not reached beforehand, gave a warning on the difficulties of implementing any state of emergency that might be declared without provoking violence in Slovenia and other republics.

Leading article, page 15

Increase in eastern dole queue

BOSS — The dole queue in east Germany lengthened last month as the west German economy continued to boom. While 28,600 lost their jobs in eastern Germany in April, nearly ten times that number found work in the west (Ian Murray writes).

In percentage terms, unemployment in the west is now 5.5 per cent, lower than at any time in the past decade, with 1.65 million people looking for a job. In the east, there are now 836,900 jobless — 9.5 per cent of the eight million workforce. Two million are on short time, essentially paid for doing nothing.

Helmut Kohl's government is proud of creating a strong economy in the west and is putting a brave face on the figure for the east, insisting that it is not as bad as had been expected. "Despite the current problems, the signs of a change for the better are already recognisable," Dieter Vogel, the government spokesman, said yesterday.

Gunman 'unfit'
BOSS — Dieter Kaufmann, aged 37, who twice shot and paralysed Wolfgang Schäuble, the German interior minister, last October, and claimed he was a victim of state terror, was sent to a closed psychiatric hospital after the court at Offenbach found he was mentally unfit to stand trial for attempted murder.

Hotel fire death
MARBELLA — Norman Chapel, aged 80, a Briton, died from smoke inhalation and 19 other British and French people were injured, three seriously, by a pre-dawn fire at a nine-storey hotel in the southern Spanish resort. Police, who suspect arson, were questioning a young British man, identified as David Paul, (AP)

Cocaine barons set up shop for single market

FROM MARK FULLER IN AMSTERDAM

THE traditional role of The Netherlands as the "gateway" for European trade, long a source of national pride, is now becoming a serious cause of worry as Colombian drug cartels are moving in to prepare for the start of the single European market.

These worries have been fuelled by the publication of a report by the Colombian secret police, the DAS, which branded The Netherlands and Spain as the European warehouse and trans-shipment centres for the cocaine trade.

The report said cartels were establishing bases in The Netherlands' modern ports, which offered "excellent opportunities" for importing and storing the drug. It was then being distributed via the country's fast motorway network to

the rest of Europe, taking advantage of existing supply border controls with Germany and Belgium.

The gangs are concentrating on Rotterdam, the world's biggest port, which handles some 40 per cent of imports to northwest Europe, including an annual 40,000 containers from South America. The drug barons see the port as an ideal conduit for trade with a borderless Europe.

Although the Dutch criminal intelligence agency, the CRI, rejected the report's claim that The Netherlands housed Europe's "cocaine mountain", a spokesman said that the cartels had been stepping up their operations in Europe over the past two years and that Rotterdam, in particular, was a target.

Party games they play for top Euro-jobs

BRUSSELS NOTEBOOK by George Brock

THE time for musical chairs in the capital which houses the headquarters of the European Commission and Nato has arrived. At the moment, all Brussels binoculars are trained on The Hague, where two men are to be gimped in mortal, but undeclared, struggle. Ruud Lubbers, the Dutch prime minister, would like to succeed Jacques Delors as president of the European Commission, when M Delors' second term expires at the end of 1992.

His foreign minister, Hans van den Broek, is thought to have his eyes on moving to the secretary-generalship of Nato next year, if the present incumbent, Manfred Werner, decides to follow convention and step down after four years. Mr Lubbers and Mr van den Broek, although they sit in the same coalition, are not friendly. The first man to bag one of these jobs stops the other taking the remaining one: for an unwritten rule

holds that top jobs should be spread around the nationalities. The Dutch already hold the senior post in the rising Western European Union.

Both decisions may be a year away, but the Lubbers candidacy already looks good. Wilfried Martens, the Belgian prime minister, has publicly ruled himself out; Felipe González, the Spanish prime minister, has said he is not running this time round. If Helmut Kohl, the German chancellor, does not wish to put his considerable weight behind a German commission president — there has not been one for some time — then a Christian Democrat from a little country would be a good variant to follow M Delors, a socialist from a big country.

Should a German become the next president of the European Commission, that man would be Martin Bangemann, currently running the 1992 single-market pro-

gramme and the gauntlet of furious defenders of the prawn-cocktail favoured crisp. Mr Bangemann is a convivial man, with a waistline to prove it. Last year, as the issue of German unification wound up the tension here, he was clearly observed to be putting on weight. "Don't forget," said a sympathiser, "he's eating for two countries."

The private offices of Herr Bangemann and Britain's commissioner, Sir Leon Brittan, play a football match each year. Herr Bangemann shrewdly places himself in goal. So great an advantage was this thought to give Bangemann United that the Brittan team filled their goal with cheerleaders at the end in order to avoid an even heavier defeat than the 7-3 final scoreline.

Now that the European Commission has decided to do away with the much-loathed Berlaymont building, its engineers



GED

have to decide how to deliver the coup de grâce. The favoured option is apparently to blow it up. M Delors' duty is plain: he should bury the hatchet with Margaret Thatcher and invite her to press the plunger. Eurocrats favour the most ambitious replacement plan of a tower larger enough for 12,000 officials. Did I hear someone murmur "Babel"?

Hashish haul

MÁLAGA — Spanish police discovered more than a tonne of hashish worth £20 million hidden among bushes and in sand on a beach near here, and seized a launch they suspected was used to smuggle the drug from Morocco. The haul brings to 11 tonnes the amount of hashish seized this year. (Reuters)

Slovak reshuffle

BRATISLAVA — Slovakia's new prime minister, Jan Carnogursky, has appointed five new ministers, strengthening his hold on power in the restive republic. The reshuffle leaves Mr Carnogursky's ousted predecessor, Vladimir Meciar, without supporters in the Slovak cabinet. (AP)



Made for Hollywood: Carolyn Warmus, accused of murder

Murder most profitable

Scarcely is a corpse cold in the US than the movie rights are being sold

A JURY in White Plains, north of New York, has recently made some publishers, film-makers and writers very unhappy. After deliberating for 12 days, it was unable to decide whether to convict Carolyn Warmus, a school teacher accused of murdering the wife of her lover.

That means the so-called "Fatal Attraction" murder will have to go to trial again, which could take a year more. The book and movie people were upset because the hung jury disrupted their plans for marketing a made-for-Hollywood film about the case.

The entertainment people had laid out hefty advance sums for the story. Doubleday had drawn up a contract for *Lovers of Deceit*, a book on the case by Mike Gallagher, and the HBO network is reported to have paid \$130,000 (£5,150) for Mr Solomon's version of his story.

The chequebook circus around the trial is part of a growing phenomenon in the United States — an unseemly dash by publishers, agents, writers and producers to buy up exclusive rights from actual or alleged participants in sensational crimes, often before verdicts have been rendered or charges even brought.

What now offends many is the speed of the entertainment machine and the amount of money being offered to the actual or supposed participants in the crimes.

Take the notorious Stuart affair in Boston last year, in which Charles Stuart killed his lawyer wife and blamed a robber, but later committed suicide when the truth emerged. Publishers and agents started receiving telephone calls from would-be writers offering exclusive packages only an hour after Stuart leapt to his death from a bridge over

the Mystic river. Last September, before a grand jury had even finished its investigation, CBS television broadcast a "docudrama" about the case.

Early this year a publishing-film frenzy erupted around the Pamela Smart trial. Smart, a young New Hampshire school teacher, is appealing against a sentence of life imprisonment after her conviction for persuading a teenage pupil whom she had seduced to murder her husband.

William Smart, the victim's father, has been reviewing film offers, saying he hoped a film about his son "could help someone faced with a similar tragedy maybe get something good out of it".

IN MARCH a group of Los Angeles policemen was videotaped beating a black motorist. On Sunday Rodney King, the victim, filed a law suit demanding a share of the profits made by George Holliday, the amateur cameraman. Mr King has already sold the rights to his story to Hollywood, a fact noted by Mr Holliday's lawyer, who said: "Without the videotape, he would have been just another beating. We've made him a millionaire."

Since 1977, laws have been passed in many states preventing convicted criminals from enjoying any profits made from selling their stories. But these laws are being challenged in the US Supreme Court by Simon and Schuster, the publisher, which was barred from paying Henry Hill, a former Mafia man, for his help in Nicholas Pileggi's book *Wise Guy*, which was the basis for the film *GoodFellas*. The experts say the judges could well overturn the state laws because they run counter to the all-powerful first amendment on free speech. The time may come when the Mafia will think about the book and movie deal before it takes out one of its more traditional contracts.

CHARLES BREMNER

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The variable gross interest rates earned on our Investment Account and Income Bonds will change as follows:

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Togetherness is a contract

Should the wise cohabitee consider a legal agreement?
Alexandra King finds help in a new book

David and Fiona set up a business running canal boat trips for tourists from a lock-side cottage. The business grew and prospered. But when Fiona was killed in a car crash she had not made a will. Since they were joint owners of the cottage, her half automatically went to David. But her half-share of the business went under intestacy rules to her parents. David could not raise the money to buy them out and lost his business.

Patsie enthusiastically ploughed all her redundancy money into a new kitchen for Mark's house when she moved in with him. They began to argue and a few months after the work was done Patsie moved out. Mark refused to pay her anything, and Patsie could not afford to take him to court. A year later she saw the house advertised for sale "including luxury kitchen".

Bernard had a grown-up son by a past marriage when he began living with Alison, and they had a daughter. Since he knew his son was doing well in his own business, he agreed with him that the daughter should be entitled to all of Bernard's estate if he died, so he did not think it necessary to make a will. But when he died eight years later, his son's business was foundering and he was going through a divorce, so he could not afford to give up his entitlement. Alison and her daughter had to leave their farmhouse to live in a small flat.

Susan received £10,000 from the marital home which was sold when she and her husband divorced. She could get a mortgage of £30,000 at the time, and planned to buy a flat for £40,000. Then she met Oliver, moved in with him and put the £10,000 in a building society. When she left him two years later the flat she wanted cost £80,000, and she was out of the housing market.

These case histories are included in a book to be published tomorrow that should be on the communal bookcase of all cohabiting couples. *Living Together: You, Your Partner and the Law* (Century, £7.99) has been written by three solicitors, Jill Bowler, Jacqui Jackson and Eileen Loughbridge, from the Coventry-based firm of Brindley, Twist, Taft and James. Two are married, one single (and not cohabiting), but the inspiration came from numbers of clients caught up in misconceptions about "common law".

The concept of a common law marriage "was abolished in England



Publishing the letter of the law on cohabiting: from left, solicitors turned authors Jill Bowler, Jacqui Jackson and Eileen Loughbridge

and Wales about 230 years ago", the book points out. "Despite this, the expression is still in everyday use... more important... is the belief of many people that after they have lived together for a certain length of time they have some special status that gives them rights similar to those of married couples. This is quite incorrect."

Since the solicitors launched their living together contracts two years ago (as part of a "basic" £150 package, including two wills and a trust deed setting out how any property was owned, as well as the living together agreement), Brindley, Twist, Taft and James has drawn up "hundreds" of cohabitees' agreements of different types — encompassing wills, trust deeds on property ownership, and provision for custody of children, cars and clothes. In addition to the *Living Together* package offered to clients (now "from about £200"), the group has produced a book of *Living Together Precedents* (Waterlow, £49.50) for other solicitors.

In America, "agreements which include provisions dealing, for

example, with 'quality time' — that is time committed to enjoying each other's company — have apparently been accepted", the book notes — there partners may forfeit rights if they gain weight or start drinking or fail to walk the dog regularly. "It is sensible", Brindley, Twist, Taft and James recommends, "to stick to matters that a court in this country would be likely to enforce; that is, property and finance."

Many commonly held myths are debunked by the book. "Many people believe that they acquire rights in the home after they have lived together for, say, six months or some specified period of time. This is not true. The length of time you have lived together makes no difference at all."

Nor does a mother living with the father of her children have a right to stay in the home with the children

until they are grown-up. There is no right of maintenance even if you have given up your career, and the best years of your life, to look after someone else — although the children of cohabitees are entitled to claim maintenance from either, or both, parents.

In America partners may forfeit rights if they gain weight or start drinking

And it cuts no ice, Ms Jackson frequently and regretfully has to tell female clients, that you have paid for all the furnishings and taken care of all the running costs and even contributed to the mortgage, if his is the sole name on the mortgage document and he is the sole proprietor of the business.

Cohabitees keep what they owned when they came into the relationship, and anything acquired while the couple are together belongs to the person who can prove they bought it, no matter how or why. Although you do not automatically

have a claim on your lover's share of the flat or the car if he or she disappears, you can bank on being stuck with the bills.

As the book notes: "These are realities, and sometimes there is nothing you can do to avoid them; but at least if you are aware of them you will go into the arrangement with your eyes open." Ms Jackson agrees that the main stumbling block to "living together" contracts is the way they are perceived to smack too much of domestic commitment. "But you don't have to start discussing these things the first week you move in," she says.

Prenuptial agreements are still not enforceable in English courts because they are over-ruled by existing divorce legislation. "A living together contract is much stronger because there is no contrary legislation," Ms Jackson says.

She acknowledges the argument that such contracts simply move the battle from the home to the courts. None the less, she is convinced that most couples who cohabit without a contract are courting trouble.

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On the road with the woman who has been given the job of keeping company car users on the straight and narrow

You are about to be NIC-ed

The day after the Budget made company cars liable for employers' National Insurance contributions, Ann Chant, the chief executive of the newly-formed contributions agency of the social security department, took delivery of her first company car, a red Ford Orion G16.

Walking along the corridor leading from her office to the car-park in the agency's Newcastle upon Tyne headquarters (which claims to be "the biggest office complex in the Western world apart from the Pentagon"), she explains that her job entails visiting the department's 400 locations in England, Scotland and Wales. Her car, she says, will cost her employer only £13.80 a year more in National Insurance contributions (NICs) when the rule comes into effect next April.

Her Orion is one of millions of saloons considered a tool of the trade by company car users, but Miss Chant's brief is to check on thousands of other cars which are little more than a perk. Cars such as Jaguars, Mercedes and BMWs, often chauffeur driven, which cost more than £29,000 but do fewer than 2,500 business miles a year, will be heavily "NIC-ed" (pronounced "nicked") as she calls it. So will free fuel for private use.

The object is not to penalise the commercial traveller or small businessman who needs a car for work, but to stamp out some of the more blatant evasion of National Insurance payments on corporate "gifts".

Miss Chant is a former private secretary to the permanent secretary, and one of only three women to head the 67 new civil service agencies that came into effect in April. She insists she is "not about to launch an army of jackbooted fascists" to prise from the public money owed to the DSS, but she has been given the task of bringing in some of the estimated "hundreds of millions of pounds" of unpaid contributions.

"In the vast majority of cases, under-collection is not due to any wilful, malicious or fraudulent intent. Most people honestly have no idea they are getting it wrong, and we go a long way just to help them get it right," she says.

Miss Chant would be happy to be seen as "the approachable face of the DSS". She is passionate about equal opportunities and wooing mothers into her workforce with enlightened employment policies, flexible hours and a crèche on the way.

She does not foresee the need for National Insurance contributions on company crèches because "there are still so few of them" — but unit trusts are another perk-in-lieu of salary which she has advised should come under scrutiny.

She likes to think she will be the velvet fist in a velvet glove. But though she talks softly, she carries a big stick —

with the might of the government's second largest revenue producer behind her. "We are looking for some perks which are quite clearly a way of evading paying contributions," she says. "But please don't believe the rumours that I will be getting a percentage of any money I collect," she adds. "I wish I did, because we collect £33.5 billion. But I'm afraid I don't." If, however, she attains targets she is entitled to a bonus of up to 10 per cent of her salary, "but that would come out of the department's salary budget, not out of the money we collect".

VICTORIA MCKEE

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Velvet fist: Ann Chant

Loud and clear & BRIEFLY

WHEN a director of a company producing distress signals for firefighters was nearly knocked off his bicycle by a lorry — despite desperate ringing of his bell and warning shouts to the driver — he discovered what he hopes will be a lucrative market gap. Now the company, Product Innovation Holdings of Ware, Hertfordshire, has produced the MegaHorn — an electronic, battery-powered hooter incorporating frequencies that are supposed to "penetrate the noise of the busiest street". The lightweight, weatherproof unit fits on the handlebar and has a push-button thumb switch that can be operated without moving the hand from the bar. It is widely available from Halfords and other cycle stores for £12.95.

Green orders

MAIL order catalogues on both sides of the Atlantic are cashing in on the green trend. In America, products include yo-yos "made from recycled plastic" and a "Green Clean fruit and vegetable wash" for removing pesticides, dirt, waxes and chemicals. (All the above from Seventh Generation: Products for a Healthy Planet, Colchester, Vermont 05446-1672; phone 0101 802 655 3116.) In Britain, the latest Whole Thing catalogue

includes "Welsh volcanic dust", to use instead of chemical fertilisers (£9.99 per 10kg drum), and Twigzils: pencils "mostly made from fallen plane and horse chestnut branches" gathered in London's parks (£1.99). (Whole Thing, 34 Market Place, Kendal, Cumbria LA9 4TN; phone 0539 721922.)

Fashion acts

THE arrival of spring has turned fund-raising outdoors. Fashion Acts, the fashion industry initiative for AIDS victims, will stage its third annual sponsored walk on Hampstead Heath this Sunday. Riffi Ozbek, Helen Storey and Workers for Freedom — as well as Clive Anderson, Simon Callow and Glenda Jackson — will take part. The walk will finish with a festive picnic on the heath. The registration fee of £10 includes a T-shirt, entry to the picnic party, refreshments and use of the crèche. Proceeds will be donated to the Hospitals for Sick Children, Great Ormond Street, and the Terence Higgins Trust. The Fruit-of-the-Loom T-shirt can be bought for £10 in white, orange or green, one size only (XL), from Paul Smith and Helen Storey shops in London or from Helen Hiron at Fashion Acts, 52-54 Gray's Inn Road, London WC1 8JU (071-831 0330).

The British Heart Foundation is appealing for "walkers, joggers and gentle Sunday strollers of all ages" to turn out, again on Hampstead Heath, on May 19 to raise money for heart research. This is the first of a series of sponsored walks around the country this year as part of the BHF's Exercise for Life campaign. A maximum of 12 miles is permitted. You can set off any time between 9.30am and 2pm, and everyone is asked to leave the course by 4pm. There will be prizes for the top fund-raisers in each age category. Sponsor forms are available from Philip Mellor, Westfield, West Hill, Harrow-on-the-Hill, Middlesex (081-422 2383 or 071-289 1327).

Air cooled

AIR conditioners are scarcely worth the cost of installation in British homes since the days on which they are useful are few and far between. But the Air Improvement Centre, 23 Denbigh Street, London SW1V 2HF (071-834 2834), claims to offer mobile versions. The compact boxes can be wheeled in, plugged in and switched on, but the tube which lets out the hot air has to be led out through a chimney, slightly open window or wall vent. Running costs are said to be lower than for a one-bar fire and several models are available, from about £500.

V.MCK.



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THE TIMES WEDNESDAY MAY 8 1991

GALLERIES

The fine art of capturing animals

John Russell Taylor hunts for sporting masters at the enlarged Vestey Gallery

PEOPLE glibly refer to "the art world" as though there were only one. But there are many different art worlds. They come together only occasionally, most notably in the Royal Academy's Summer Exhibition, which may be the best argument for its continuation. Otherwise there is endless fragmentation. Many artists, and many publics, have little to do with mainstream art at all: the traditional watercolourists, the portrait painters, the wildlife and sporting artists all have their own exclusive circles.

For example, the National Portrait Gallery's status as an art gallery is ambiguous, its criteria for admission being not exclusively aesthetic. It would rather have an undistinguished but unique image of a very important person than a wonderful painting of a nobody. A similar ambiguity hangs over sporting art. How much depends on documentary value, how much on artistic worth? Such doubts may have impeded the setting up of a national gallery of sporting art. But since other countries with less imposing sporting traditions possess one, it remains anomalous that we do not.

This is where the British Sporting Art Trust comes in. Enthusiasts with long memories may remember the National Gallery of British Sports and Pastimes set up by the publisher Walter Hutchinson in 1949. Its rapid demise stemmed from its founder's own financial troubles and his failure to attract official backing. After the dispersal of the Hutchinson collection, the cause of British sporting art went by default until the Trust was set up in 1977. Some prominent collectors such as Paul Mellon did take an interest; many of the relevant pictures from the Mellon Collection had been deposited in the Tate where, if they were not by a grand painter such as Stubbs, they were likely to languish unseen most of the time. The Trust's immediate aim was to remedy this lack of public visibility.

Hence the existence of the Vestey Gallery in Newmarket, opened in 1986. Initially tucked awkwardly on to the National Horse Racing Museum, it has now been revolutionised by the doubling of its space and its integration on one floor, approached by a rebuilt staircase.

As yet, its outward appearance is modest, certainly compared with the old "National Gallery", which owned about 8,000 works and had some 600 of them permanently on view. But already the Trust has the best collection of British sporting prints in the world, a selection of them displayed in the new extension or stored in the new library. With the ever-



Animals well framed: detail from a Stubbs portrait of two dogs

upward revaluation of Stubbs, at least one master in the restricted category of sporting art has been transferred to the first division of British art. Other sporting artists do not present such a compelling case, but still make a fine show here. The Swiss, Jacques-Laurent Agasse, though not strong enough to support the extensive show he was given recently at the Tate, is charming in small doses.

The early 19th-century Samuel Spode, whose painting *The Pinckney Family Coursing at Stonehenge* was actually the first picture the Trust bought, has a slightly primitive but decidedly energetic appeal. Stephen Slaughter (1697-1765) is staid, but indicates the strength of the tradition from earlier on.

No doubt the Vestey Gallery will preach to the converted: its Newmarket location is hardly accidental. But it is not necessary to be mad on hunting, shooting and fishing to extract enjoyment from the sodeavour.

• The Vestey Gallery, High Street, Newmarket, Suffolk (0638 667333) Tues-Sat 10am-4.30pm, Sun 2-4.30pm.

Annie Castledine may inject much needed vitality into Chichester's troubled theatre, writes Jim Hiley

Nerves may be unusually taut when the new season begins at Chichester tonight. Michael Rudman quit his post as director of the Festival Theatre during the winter break, and half the programme he had announced was hurriedly scrapped.

Predictably, *Arsenic and Old Lace* has survived as the opening production; less predictable is the choice of director for Kesselring's venerable comedy thriller. Annie Castledine is the most formidable, least reconstructed socialist and feminist in British theatre. But Chichester can rest assured that she intends to provide a congenial night out.

"There's something in me that wants to give pleasure to huge numbers of people," says Castledine. "The public see *Arsenic and Old Lace* as a harmless play with treasured moments — like a favourite piece of music. It's the first of its genre, and the best."

But even this "wonderful classic" is not immune from some Castledine political analysis. She discerns a subversive critique beneath the homicidal shenanigans of Abby and Martha Brewster, the genteel anti-heroines.

"It knocks the stuffing out of bourgeois society. The police and church are the chief targets, and they're thoroughly deceived. But we always believe in the respectability of the two old ladies. They're serial murderers, but they never tell lies."

Warning to her theme, she outlines the role of Abby and Martha's nephew Mortimer, a theatre critic, played in the film version by Celia Grant. "Mortimer is a moral innocent, whose world becomes quiescent as the events unravel. We follow him through an anarchic minefield."

At Chichester, Peter Davidson appears as Mortimer and Bernard Bresslaw as the more sinister nephew, Jonathan. Elizabeth Spriggs and Rosemary Harris are the lethal biddies. For their director, this mix of TV character actors and theatre *grandes dames* is rare company. "It's the first time I've discussed interpretation over lunch." She makes a prandial conference sound like Sodom and Gomorrah.

The daughter of a Sheffield colliery engineer, Castledine spent many years as a drama teacher. Now 51, she is a woman of, in her own words, "immense size". Despite her allegiances, she shuns propaganda and social realism. Rather, she practises her own brand of expressionism.

"I used to want my productions to be very real. Now I like them unreal, devoid of naturalistic clutter." *Arsenic*

All laced up for a dash of subversion



Annie Castledine, preparing for *Arsenic and Old Lace*, which "knocks the stuffing out of bourgeois society"

and *Old Lace* appeals to her "obsession" with melodrama, where heights of emotion can be emphasised by atmospheric devices.

"I like to transport an audience with music, sound, lights and imagery. I'm interested in the theatre as artifice, and I'm exhilarated by the obvious demonstration of acting skills." *Arsenic and Old Lace* meets these enthusiasms, she says, because it demands to be staged with a

kind of self-aware artfulness. "The actors need to think fast and furiously, and be highly conscious of their place in the architecture of the play. British actors tend to believe great moments are produced by osmosis. It's almost taboo to talk about the conscious-ness this play requires."

Last Christmas, her iconoclastic approach was seen to startling effect in another well-worn chiller, *Gaslight*, at another troubled venue,

Greenwich. Rehearsals proceeded amid "intense talks about class and gender", and the vintage potboiler emerged with a Racine-like grandeur. The critics enthused and the public flocked, generating much-needed profit.

But Castledine's stylistic experiments and commitment to equal opportunities were more equivocally received at the Derby Playhouse, which she ran until last July. In radical circles, her regime

became celebrated: she employed an above-average number of black performers, and half the plays she produced were by women.

But local people balked at the lesbianism in Lillian Hellman's *The Children's Hour*, and stayed away from such *recherché* offerings as *Sunday's Children* by Gertrud Reinshagen, in which wartime events are seen, at grueling length, through the eyes of an adolescent German girl.

"I was naive. I didn't realise there would be a problem over good plays, just because people disagreed with their message." But she learnt much at Derby — not least from a patron of 30 years' standing, who wrote demanding Castledine's dismissal.

"I rang this lady up, and she suggested we produce *Noises Off* by Michael Frayn. So we did it, and broke all records. The bars were packed, the programmes ran out and even the box office lady sailed. For the first time, I realised the difference between a full, ebullient auditorium and my own kind of private theatre."

Derby apart, Castledine has pursued a mainly freelance career. She is quick to point out that she has enjoyed strong support from male colleagues, among them Trevor Nunn, for whom she worked during the early 1980s, his "golden sunset" at the Royal Shakespeare Company. "People say the RSC is a boys' club, but that's not what I found. It was like a privileged university for me."

Wherever she goes, she sees it as her task to promote the cause of women in theatre. "I used to meet with other female directors. We would talk and produce papers, and tell each other to 'go for it' — which we did, but as we emerged in the profession, so we dispersed as a group."

"But there's still an enormous amount to do, especially for female dramatists. They don't get enough chances to practise their art." She continues to bombard male theatre directors with scripts by female playwrights. "That," she declares, "is now the path we must take."

• *Arsenic and Old Lace* is in repertory at the Chichester Festival Theatre (0243 781312) until July 6.

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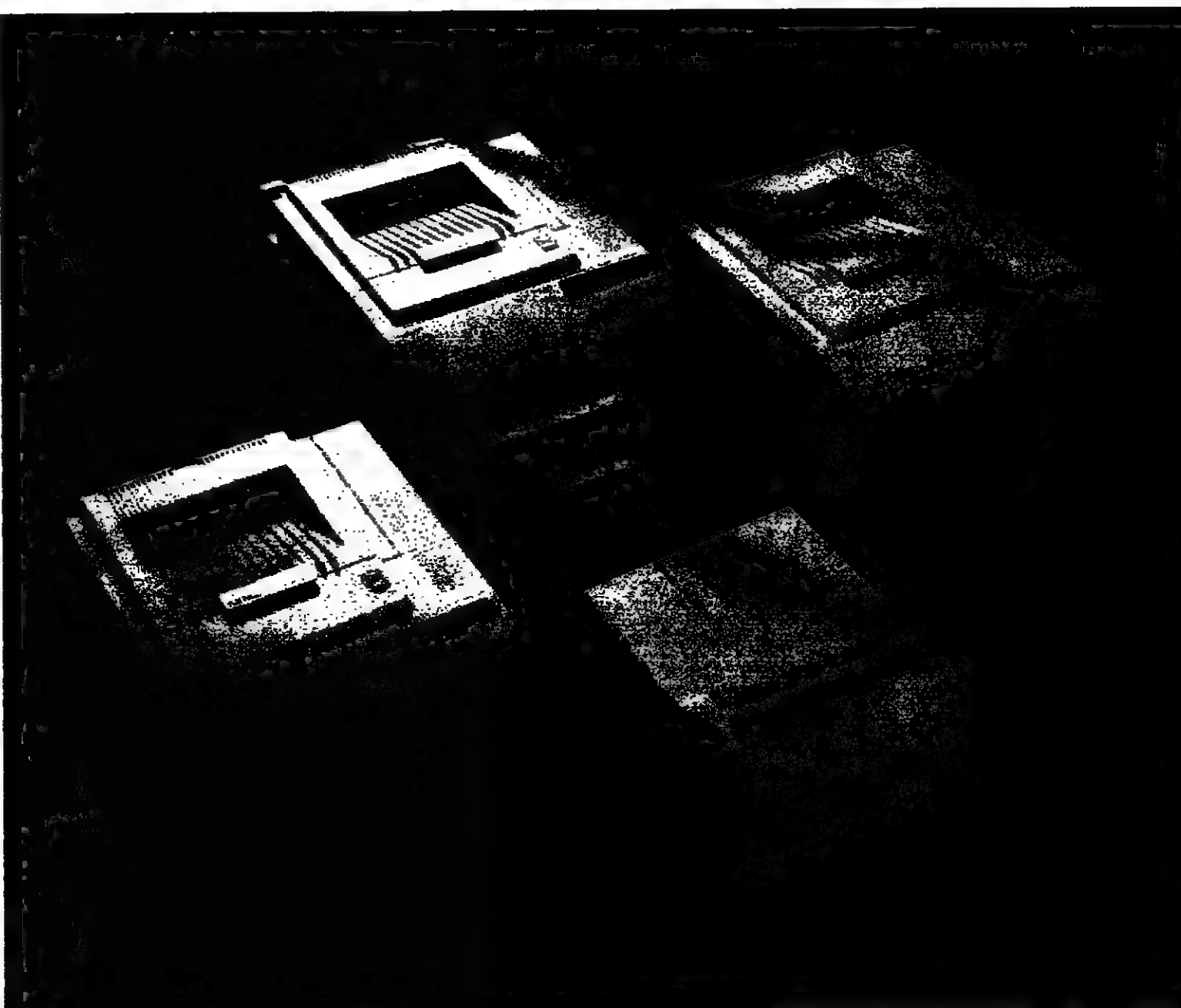
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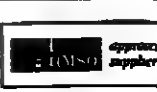
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lighting by Leonard Tucker

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Fresh: Eliot Gardiner

is inevitable: period instruments and techniques set to that. Yet there is nothing raw about this sound; the thick-toned horns are especially lovely, and the choral singing is incisive, powerful and expressive.

Rodney Gilby sings with a voice that seems bathed in liquid gold, though he certainly displays the requisite sense of urgency in "Herr, lehr' mich", and the soprano, Charlotte Margiono, is also an affecting soloist, if perhaps a slightly over-indulgent one, in "Ihr habt nun Traurigkeit".

STEPHEN PATTITT

John Biffen

Tories should shout their welfare wares

For the Conservative party, the social market economy offers a rallying point for radical Thatcherites and traditional Tories, not a cause of division. But as a general election approaches, this underlying unity will have to be made more evident, for Conservatives remain vulnerable on social issues and particularly on health.

With its element of pragmatism and of balance, the social market economy is a congenial concept for Conservatives. A commitment to the crucial market role of price and profit in economic affairs is balanced by public provision for health and education and a safety-net of social welfare. Free enterprise is the dynamo of wealth creation, and social welfare reconciles the public to the inequalities and penalties of failure inherent in the free market.

Since 1979 there has been a powerful emphasis upon the market side of this equation, although spending in real terms on health has risen by 50 per cent and on education by 40 per cent. The government has had a social chequebook, even if it has not trumpeted a social conscience. Now the situation requires that Tories speak out with commitment about their brand of social market economics.

The policy has been at the heart of post-war Toryism. The traumatic 1945 election defeat saw a sustained attempt to return to liberal economics. This involved turning aside from the temptations of imperial preference and the siren calls of 1930s-style industrial rationalisation.

It was the One Nation Group of Conservative MPs who argued this case most persuasively, and none more trenchantly than Enoch Powell and Iain Macleod. They had the evangelism we need today. Although the term "social market economy" was not in vogue in the 1950s, they were determined to assert that the Tory open market was not Gladstonian free trade. One Nation Toryism became synonymous with a renewed commitment to social welfare. The Butler Education Act had to be emphasised and the vote against the National Health Service excoriated. The Tories in the One Nation Group were an elite, many of whom were destined to hold high ministerial office.

This approach to the social market economy became blunted during the 1960s and 1970s, as Conservative governments were attracted by central planning and industrial policies. Not until the mid-1970s was traditional economic liberalism re-established under the modish name "monetarism". Margaret Thatcher was the woman for the hour. Her paternal inheritance was a robust self-help liberalism, but it had little trace of Tory welfare paternalism. Even so, she presided over a government that practised but did not proclaim a social market economy. Her government, therefore, is best remembered for its market philosophy, greater personal wealth and for tax reforms that rewarded success.

However, it is important not to forget that the health, education and social services were fully maintained. The privatisation of such utilities as gas and telecommunications was not followed by dismantling of state education or health. Libertarians, such as those in the Adam Smith Institute, were doomed to frustration.

Why the Conservative government was so reluctant to emphasise the mutual benefits of liberal economics and publicly financed welfare services remains an enigma. John Major clearly does not intend to continue this attitude. The rhetoric is changing discreetly, but on the hustings we will need to holler, not to whisper. Of course there is no retreat from the liberal market economy, but cuts in income tax will be postponed to finance the substantial public spending sanctioned in the closing period of the Thatcher government.

The thrust of Tory social policy is now clear, and it owes much to Mrs Thatcher. Kenneth Baker's reforms in education may not match the Butler Education Act, but they are symptomatic of the search for quality, as is the proposal for a teachers' pay review body. Tories need not feel defensive here.

The problems of the NHS are more intractable. In 1988, a Fabian, David Lipsey, argued the danger of welfare spending being squandered "by unwise bureaucracy or by trade union practices more concerned with job preservation than the public service".

William Waldegrave must be mindful of this as he struggles to bring about reform, although the extent to which choice and competition can be the motive force in public health provision remains uncertain. The difficulties must not be excuses for inaction, and the government is making determined efforts to bring about reforms in health and education which favour the patient and the parent. Like Mrs Thatcher's trade union reforms, these policies may have to be implemented by stages.

John Major need not be diffident or defensive about the Tory social record. Of course there have been errors, but there is a longstanding Tory commitment to social welfare and a vigorous willingness to reform. Health and education are now prominent on the political agenda.

Ironically, despite the sharp recession and rise in unemployment, the Conservatives retain public confidence for economic management. Tory monetarism and market economics have created a new common ground. The party that provides successful welfare reform could win a similar prize. It is a challenge John Major understands. He needs and deserves the support of radical and traditional Tories alike.

The author is MP for North Shropshire.



One-Nation Macleod by Vicky (1988)

...and moreover

ALAN COREN

There are times when men of honour have to stand up and be counted. There are other times when men of honour have to take six pairs of kippers, prize apart each pair from its smoky embrace, slide the lone items into twelve individual polythene envelopes, interleave the twelve envelopes with shirts, and place the whole fishy business carefully in the bottom of a suitcase. The man of honour then closes the suitcase. After that, he locks it. After that, he sniffs it.

The man of honour engages in this covert activity not because he is afraid of standing up and being shot. The man does not wish to end his career, like many a British agent before him, as a poignant cairn on a French hillside. True, he cannot be certain that possession of illicit kippers will automatically invite the firing-squad, but then again, he cannot be certain it won't. Who knows what the Totenkopfs of the Waffen-EC might have been sanctioned to do by the tonnes of small print graining on their Führerbunker bookshelves?

What is certain is that when he tried, the day before his devious packing, to discover whether or not it was possible to import fresh kippers into France, the Ministry of Agriculture put him on to the Commission of European Communities, who put him on to the French Consulate in London, who put him on to the French Bureau Douanes in Paris, who then not only put him off, but warned him off; and in the sternest terms. This they

managed to do despite the fact that there is no French word for kipper. The man of honour and the customs-man engaged in a lot of argy-bargy concerning *harengs fumés*, but when the man of honour explained that these weren't any old *harengs fumés*, these had been hung on hooks over smouldering oak until they had achieved the colour of antique hunting-boots, he could hear 500 miles away, the unmistakable noise of a *douanier* having a bit of a turn.

When he had recovered, the *douanier* asked the man if these were not, *en effet*, the items referred to in a recent EC paper about the carcinogenic properties with which the *hareng anglais* was alleged to become endowed during smoking? The man of honour then rang off, because he was clearly not only getting powdery, he was getting there at a quid a minute, and were he to tell the *douanier* exactly what he thought of EC food regulations, he would require an overdraft.

He would have to smuggle the kippers. Because it was his honour that demanded this, it needs to be explained. He had promised the kippers to a friend in France. Brian Mason had emigrated to Provence in 1960, and had not eaten a kipper since; all he had done for 30 years was not let a day go past without, like Ben Gunn, dreaming a nympholeptic dream.

The first test for what had become the smuggler of honour came at Heathrow. His case was hand-luggage, and had to be X-rayed. He watched it

lurch through the machine, he watched the inspector's eyes. Would they blink at the passage of 12 backbones? Would they flash quickly towards the uniformed bloke with the Heckler & Koch? But the eyes did not even flicker.

The next test involved Air France: gourmet's all, would the stewards' nostrils detect, from the overhead locker, a whiff of Grimshy? The smuggler could smell little else, but it must have been merely his own pheromones, jiggling with terror, for nothing happened. No announcement required the passenger in 33B to assume the position, face down in the aisle, no ringed sleeve laid its hand on his shoulder, no passenger murmured, "Tell you a funny thing, but I could murder a kipper."

Which left only Nice customs. But Nice customs had a dog. It was standing, with its handler, between the smuggler and the exit. The dog was there for its nose. As the smuggler approached, he swore the nose grew. It took over the dog. This was a nose on legs. But though, as the smuggler went by, the nose looked up at him, it looked away again. His cargo was not in its training manual. Little did it know that it had just been passed by pure uncut kipper with a street value of almost six quid.

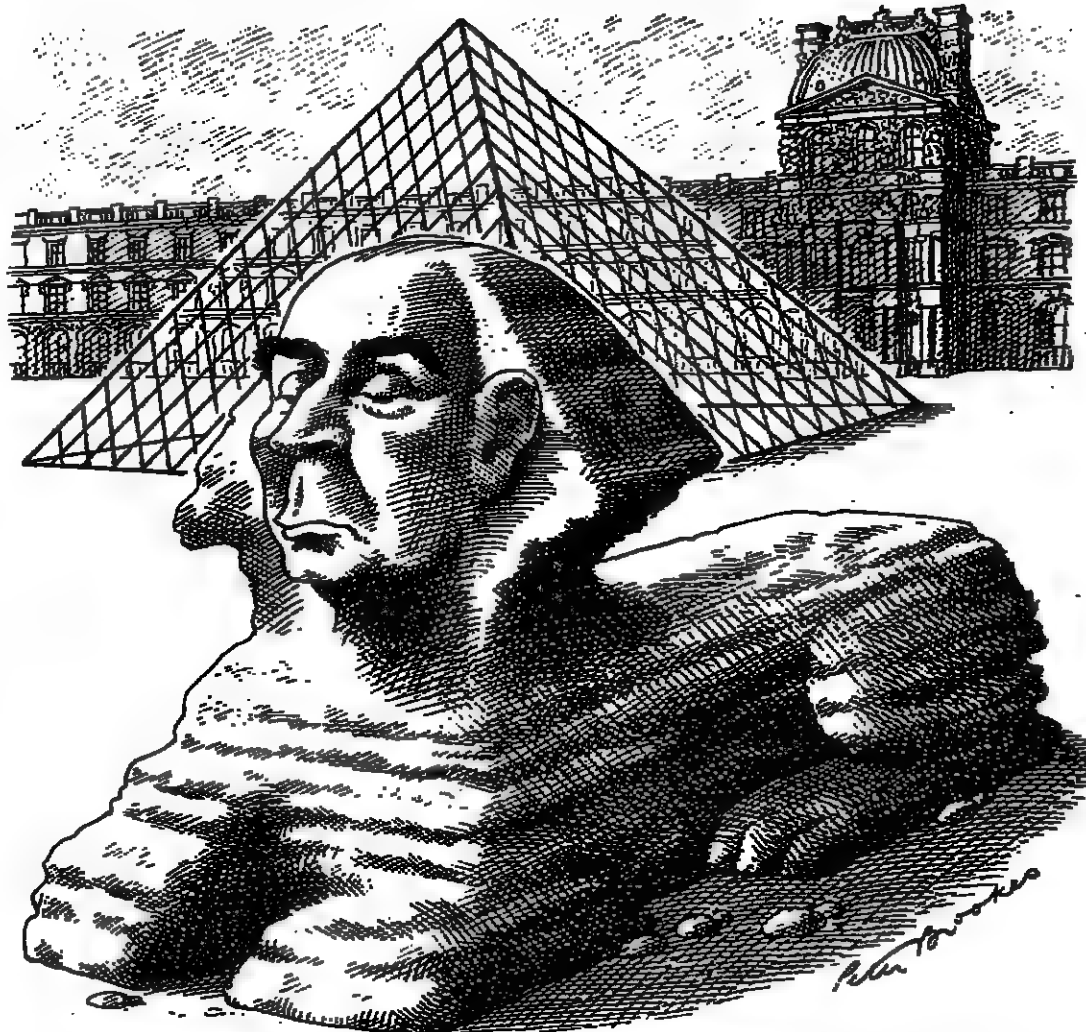
The smuggler strode out into the night, feeling good. They seek him here, they seek him there! Watch the wall, *mes enfants*, as the gentleman goes by! Next time, who knows, he may find the nerve to bring in a packet of bacon-flavoured crisps.

To some observers, this suggests that the Mitterrand of the 1990s wishes to distance himself from a Socialist party that is now in serious trouble, struggling in government and rent by the various factions manoeuvring for the succession. There is certainly an intriguing contrast between the man encountered on excursions beyond the capital and the exalted character mocked by the chattering classes as "François 1st".

Catch him strolling around Château Chillon, the sleepy town in central France where he was mayor for the best part of 30 years, and you begin to grasp why a writer in *Liberation* calls him "the best connoisseur of electoral cant in France". Flat cap set square on that fine head, hands thrust deep in the pockets of an anorak that has seen better days, Mitterrand sheds the patrician aloofness with which he cloaks himself in the Elysée.

On this reassuring ground, where a decade ago he heard of his election as president, he becomes positively expansive, ignoring edgy bodyguards to dart into the crowd and pat a few shoulders, cracking a joke with people who have known him half a lifetime. True, they still use the formal *vous*

in addressing him, but then, we are assured, his oldest and closest political allies have done so ever since he became president: some say even his wife Danielle, who no longer shares anything but his public life, has at times hesitated to *tutoyer* him.



but then Reagan could never quite figure out his fellow president: "Either this guy is incredibly subtle or he is simply gaga."

In one of the better books about Mitterrand, the French journalist Catherine Nay had some fun with the "seven ages" through which he passed during his first term. Mitterrand, she argued, had completed a remarkable voyage from orthodox socialism — when he went about in a proletarian cloth cap modelled upon that of his predecessor Leon Blum — through a Gallic version of Reagan-style populism and a spell of distinctly

Gaullist pragmatism, to arrive finally at the "imperial" presidency now very much in evidence. His secret, wrote Nay, is an uncanny mastery of the art of political metamorphosis: knowing instinctively the moment at which to change course in the face of changing circumstances. We are talking, after all, of the upstart who enlivened French politics by running against the 75-year-old de Gaulle under the slogan "A young president for a modern France," but who today, going on 75, lectures the nation on the virtues of maturity and experience.



Unstoppable rise of the tenacious outsider: justice minister, senator, president

François Maurice Marie Mitterrand
Born October 26, 1916, in Jarnac
Educated at the Collège Saint-Paul, Angoulême, and University of Paris
1939: Army service, taken prisoner, escaped and fought in the Resistance
1944: Married Danielle Gouzé
1946-58: National Assembly deputy for Nièvre
1954-5: Minister of the Interior
1956-7: Minister of State for Justice

1959-81: Mayor of Château Chillon
1959-62: Senator for Nièvre
1962: Returned to National Assembly
1965-8: President of the Federation of Democratic and Socialist Left
1965: Presidential candidate against de Gaulle
1971-81: Leader of the new Socialist Party
1981: Elected president (defeating Giscard d'Estaing)
1986: Cohabitation with Jacques Chirac begins
1988: Re-elected president (defeating Chirac)

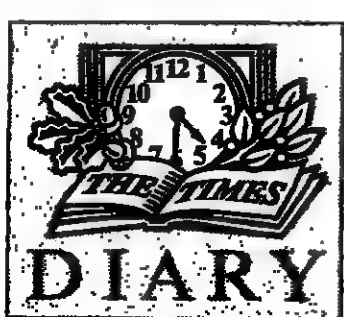
Crown prince still waiting

Old princes never die, they sit in Mayfair dreaming wistfully of the day their people will recall them. Prominent among them, the fires of hope rekindled by stirring events in eastern Europe, is Crown Prince Alexander of Yugoslavia. From his plush Park Lane headquarters, he has been closely monitoring the violent developments in Split, and is convinced they presage a role for the monarchy in Belgrade once again.

"I believe that within two years I will be able to return," says the 45-year-old prince, who has never set foot on Yugoslav soil. "But I have no intention of returning on a white horse and assuming command. I believe democracy is the only solution, with the monarchy — modelled on the British system — providing a unifying national force."

The prince, a cousin of Prince Philip and godson of the Queen, has abandoned his business career as a director of shipping and oil companies to concentrate on discreet lobbying and diplomacy designed to restore the throne. His own future apart, Alexander wants to fulfil the dying wish of his father, King Peter, to be buried in Yugoslavia. The king went into exile in 1943 and Prince Alexander was born in Claridge's. "As a result, part of the hotel had to be declared sovereign Yugoslav territory," he says. "My father died in 1970 and is buried in Illinois. It would give me great pleasure to take his remains back, when our country is democratic."

Should he become king, Alexander will have a real crown to wear. His father's crown, made from cannon captured in the Balkan wars and encrusted with semi-precious stones, was long presumed lost, but has just turned up in the basement of a Belgrade



museum, where it was consigned out of harm's way by the communist authorities more than 40 years ago.

Can this be a true indication of John Major's current standing within the Tory party? After the loss of Southampton council to Labour in last week's elections, the local Conservative association held a fund-raising ball at which the prizes included a bottle of whisky signed by the prime minister and a Pirelli calendar. The former fetched £110; the scantily-clad young ladies in the latter £120.

Laid out, laidback

George Bush's irregular heartbeat is not the first cause for concern about his health. During the 1950s, while on a business trip to London, he keeled over in his hotel room. The hotel doctor diagnosed food poisoning, but according to Bush's memoirs, *Looking Forward* (1988), he knew it was more serious. He immediately flew back to America to consult his physician in Texas, Dr Lillo Crain, who told him he had a bleeding ulcer, and would be dead in five years if he did not change his lifestyle. "George, you're a classic ulcer case. A young businessman with only one speed, all-out. You try to do too much and you worry too much," Bush recalls being told. Crain's prescription: "Learn to concentrate your energy on the

things you can change and don't worry about the things you can't." Bush learnt to stop worrying and wrote in the book, "I've never suffered a relapse". But some idea of what must be going through his mind now is also offered. Of the earlier incident he wrote: "Scared? No. Jolted. When you're always enjoyed good health and your body caves in for no apparent reason it gives you an immediate sense of priorities."



In hiding

Wilfrid Hyde White will be remembered for his impeccable sense of timing, perhaps best typified by his performance as Colonel Pickering in *My Fair Lady*. But was the timing less evident in his own life? Friends who knew him for years are surprised that reports of his death give his age as 87.

"I think Wilfrid was more like 90," says Sheridan Morley, whose actor father Robert was Hyde White's best friend and frequent co-star. "He was considerably older than my father, who is 84. To me he seemed Edwardian."

Despite his gentlemanly image, Hyde White could on occasion be

Laid out on a graph of the past ten years, the peaks and troughs of Mitterrand's popularity with voters suggest that the French are not entirely hoodwinked by these twists and turns, and often resent them. During the period of uneasy "cohabitation" with a conservative government under Jacques Chirac, support for Mitterrand plunged far below that of the three presidents who preceded him (De Gaulle, Pompidou, Giscard d'Estaing), and the sharp gains in popularity he achieved during the Gulf war have now been eroded.

Yet Mitterrand dominates French politics today, arguably more than at any other time during his presidency: from far left to extreme right by way of the soft centre, there is nobody remotely comparable in stature. There is a simple reason for this: Mitterrand has shown that when necessary he is an accomplished political assassin, leading those who get in his way with scant regard for party and little outward evidence of remorse.

"People talk about his mastery of intrigue and ambiguity, but Mitterrand can also be exceptionally brutal," says one political commentator, recalling the president's slow and calculated enunciation of the French Communists after they were drawn into his lethal embrace.

Consider, too, the startling 154 ministers, senior and junior, who have come and gone from government since 1981: about 40 were Chirac appointees, but the toll also includes two Socialist prime ministers, one of them Mitterrand's protégé Laurent Fabius. They have been discarded like used handkerchiefs when the moment demanded.

As for M Chirac, the former barnstormer of the right, he was also sacked, and seems to have been deeply and lastingly scarred by the rough handling he received while in office and the bitterness of the campaign that led to his crushing defeat by Mitterrand in the 1988 presidential election. Invited recently to express an opinion of Mitterrand as president, he managed the observation that "tenacity" was his opponent's chief quality. This gave the impression that he had in mind the way a bulldog sinks its teeth in and will not let go.

For an outsider striving to weigh Mitterrand in the balance, it is instructive to discover how little the average French voter thinks in terms of specific achievements and failures during the past ten years. Despite the torrent of facts and figures now pouring out in tenth anniversary books, newspaper articles and television specials, voters seem to prefer a different relationship with him, judging him in personal terms.

The president's various nicknames say a lot to some he is still *l'onton*, the favourite uncle, to others *le Sphinx*, unfathomable to the end, or *le Florentin*, running rings around lesser politicians whose real names they probably do not know. Even when, as now, more and more are telling pollsters that the country is going to rack and ruin, they may not connect this discontent directly with the president. Naturally, Mitterrand thrives on this bond, sustained by the double proof that it coalesces an essentially conservative country to send a socialist to the Elysée. As an admirer of France's last emperor, Louis Napoleon, Mitterrand would happily settle for his watchword: Always keep up with the times.

Norman conquers

Lord St John of Fawsley is to be the new master of Emmanuel College, Cambridge. He was elected to the post on Monday by the fellows and will take up residence in October. He will, however, continue his work as president of the Royal Fine Art Commission, making him ideally placed to ensure that the planned new student building is in keeping with its surroundings. St John described his new role yesterday as similar to that of a constitutional monarch as defined by Bagehot, whose collected works he has edited: "to be consulted, to encourage and to warn."

Shadowy Netta

Who was Netta Peacock? The combined expertise of the Hayward Gallery and the Victoria and Albert Museum has failed to unearth anything substantial on the mysterious photographer whose work, first discovered by the V & A, is a highlight of the Hayward's current *Twilight of the Stars* exhibition. "She is of great historical interest, an indomitable woman who took evocative pictures of Russia at the turn of the century, but we know tantalisingly little about her," admits Andrew Dempsey, the organiser of the exhibition. "We were hoping that her family might come forward once the exhibition had started." But it has now been on for nearly two months, and not a word. Can any reader help? Information on a postcard, please.



NO TO BALKANISATION

President Tudjman's appeal yesterday to Britain and America to help prevent civil war in Yugoslavia should be taken with a pinch of salt. The Croatian president draws an over-simplified picture of a battle between (Serbian) communism and (Croat) Western civilisation. Mr Tudjman bears part of the blame for the fighting between Serbs and Croats which has prompted the latest ultimatum from the Yugoslav army. Yet there remains a case for Western involvement.

Civil war will not mean world war. Yugoslavia is not linked by treaties to outside powers as it was in 1914. But the consequences of breakdown — refugees among them — would still not be contained within its borders. The West has an interest in promoting the loose form of confederation which is Yugoslavia's best chance of hanging together. And the aspiration of most Yugoslavs, separatists and centralists, to be accepted by the West provides leverage. But if the West exploits the country's need for foreign capital to broker communal peace, it must do so in the whole country's interest.

Yugoslavs used to describe their country as a poor Switzerland. That was an aspiration rather than an accurate description, though the model is not inapposite. The country is miles from discovering the formula for living peacefully with a degree of linguistic, ethnic and religious diversity which makes Switzerland look positively homogeneous. Tito's achievement was to suppress these tensions, partly by delegation of powers, partly through a common fear of the collapse of communist rule in much of Yugoslavia and the Soviet Union's internal preoccupations condemn Yugoslavia to Lebanonisation is equally misleading.

What is striking about Yugoslavia today, crisis-ridden and paralysed as it appears, is that its peoples, however divided, shrink from reliving their warring history. Fear of Serbia has bred separatism, but the majority would still prefer loose confederation to a total split. The more Serbia insists on

maintaining a tight federal structure which it intends to dominate, the fiercer become the popular Croat and Slovene pressures for total independence. Yet for all the ominous portents, nasty localised civil wars have not turned into catastrophic national ones. The sabres have been repeatedly rattled, occasionally drawn, and sheathed just in time.

This week's ultimatum by the Yugoslav army is not the first, nor is it necessarily as sinister as President Tudjman claims, although he is right to fear the consequences were Yugoslavia's constitution to be suspended. Croats and Slovenes suspect the largely Serbian officer corps of partisanship but the defence minister, Veljko Kadijevic, is a moderate and a convinced Yugoslav.

His opposition to martial law and political meddling by the army is on record, although he has always insisted on the army's constitutional duty to prevent ethnic violence. Martial law, which would forestall the annual rotation of the federal president's office from a Serbian to a Croatian, would be disastrously inflammatory, but short of that there is no point in the army returning to barracks only to leave the field to warring Serbian villagers and Croat police.

Negotiations between the republics on a new constitution broke down last week. The army's move may concentrate the politicians' minds sufficiently to make this a good time for Western mediators to step in. If Yugoslavia is to have any hope of becoming the Switzerland of the south, however, it must learn that even the loosest confederation needs not just inter-communal tolerance but monetary discipline. To lay the ground for constitutional talks, the West should insist on a truce between the republican leaders and the increasingly marginalised federal government of Ante Markovic. Western finance, indispensable to Yugoslavia's economic recovery, must be firmly conditioned on republican cooperation with Mr Markovic's reforms. That pledge should be extracted forthwith, as a first step towards a brokered peace.

WAGING WAR ON POVERTY

Most poor people are not low paid. Most low paid people are not poor. Poverty has other causes: old age, disability, unemployment, and large families, which have nothing to do with low pay. At most a quarter of those with incomes below half the national average come from families which include a full-time worker. The low paid are not poor, because they are mostly female, mostly second earners, and mostly part-time.

Under Mrs Thatcher, the government relied on the theory that if the rich get richer today, the poor will get richer tomorrow. Yet a Commons select committee last year found that, while living standards generally rose by 23 per cent between 1979 and 1987, for the typical household in the bottom 10 per cent, they remained stagnant. Income support rose more slowly than earnings. The Social Fund failed to provide necessities for many of those most in need. As a result, yesterday's call by the European Commission for guaranteed minimum incomes for all may strike a chord with some people, despite the government's broad opposition to the Social Charter of which it is part.

Many too will instinctively rally to one policy ostensibly aimed at helping the poor which missed the Kinnockian call of Labour's left-wing policies. *Opportunity Britain*, the party's latest policy plan, reaffirms the party's commitment to a minimum wage, set initially at half rising to two-thirds of average earnings.

Michael Howard, the employment secretary, launched a vigorous attack on that policy in the Commons yesterday, claiming that it would create an extra 2 million unemployed. That is a figure for the hustings. It makes extreme assumptions:

that the minimum is two-thirds of average earnings not a half; that the increase feeds through all the way up the earnings scale, so the extra at the bottom is matched by extra at the top; and that the Treasury is right in saying that a 1 per cent rise in pay means 0.75 per cent fewer jobs.

The threatening words of Gavin Laird, the engineers' leader this week, show that unions representing skilled workers will try to protect differentials, but in a market economy, they are unlikely to be as successful as Mr Howard assumes. Other calculations suggest many fewer job losses; as few as 40,000 according to the National Institute of Economic and Social Research. The truth probably lies between the two.

Even if the losses are at the lower level, a minimum wage is an ineffectual way of combating poverty. Labour accepts that 80 per cent of the beneficiaries of its minimum will be female, many of them with a well paid partner. Three-quarters of them are part time. Many will be 100 per cent unemployed if ever the policy is carried out.

Mr Howard should follow his instincts. If minimum wages cost jobs, why, a year ago, did he rule out abolishing the statutory wages councils, which fix minimum levels of pay for some 2.5 million workers? Wages councils are little liked by employers, whose flexibility they reduce; by unions, many of which fear that they discourage workers from joining up; and by Whitehall, because the provisions are hard to enforce. Morally and politically, the government does indeed need a more dynamic policy towards the poor; but the survival of the wages councils is a testimony only to ministerial funk.

FESTIVE MILLENNIUM

The Festival of Britain was launched 40 years ago this week. Fewer than half the readers of *The Times* are old enough to have enjoyed it, but all might appreciate the gulf that separates them from now. The exhibition on the South Bank, on the centenary of the Great Exhibition of 1851, was meant to show a Britain triumphing over adversity and reborn as a cultural, social and scientific power. The Dome of Discovery, the Lion and Unicorn Pavilion, the 51 Bar, the Power and Production Pavilion, the Festival Hall were colourful evocations of postwar planning and prosperity.

In retrospect, the Festival of Britain seems a curiously lost world, a herbivore paradise, whimsical, effete, the darling buds of May in concrete and glass. It soon evaporated. The gentle 1950s design of the "festival" Lansbury Estate in London's East End was superseded by system-built housing monoliths. Union-dominated corporatism blotted out the happy families socialism of Herbert Morrison and the festival's intellectual elite. On the South Bank itself, an architecture in the tradition of English picturesque — brick and wood and colour and decoration — was swept aside in favour of brutalist stained concrete and overhead walkways.

The carnivores triumphed, indeed social historians might say that they triumphed for much of the Thatcherite 1980s. Only in the past few years has urban design in Britain begun to rediscover some of the dash and sensitivity, the delight in adornment and colour, of Sir Hugh Casson's Festival of Britain team. Across the Thames from the festival site, Terry Farrell's recently completed Charing Cross building, its sweeping arches set high on colourful arcades, is a sort of compliment to this tradition.

With hindsight, the Festival of Britain

may seem to have betrayed a false optimism. But optimism in the nation's affairs, however naive, is better than defeatism. And it can serve as a lesson. What was most extraordinary about the Festival of Britain was not its misplaced confidence, nor its curious design, nor even its visitors' stolid dancing in the rain to the Edmundo Ros orchestra. Most extraordinary was the fact that Britain could bring itself to stage it at all.

The festival was ridiculed by almost every organ of political opinion. Herbert Morrison had to force it through a reluctant cabinet. The director, Sir Gerald Barry, had to contend with a hostile press. A huge site in central London had to be acquired, prepared and 36 buildings erected, all to a fixed deadline. Then the site had to be cleared. All this was achieved in three years.

Such a timetable today is near unimaginable. Government may have become more efficient, more accountable, more up-to-date than it was in the 1950s. In doing so it has forgotten how to take decisions. In the 40 years since the festival, nothing has been built on the site that reflects credit on anybody. The South Bank lies either empty or filled with makeshift ugliness. There are plans to replace some of the brutalist buildings, such as the Hayward Gallery, to build on part of the Jubilee Gardens and redesign the rest as permanent open space. There have been such plans for four decades. None is near fruition.

The government should now admit defeat and plan a rerun of 1951 in 2001, a full-scale London Festival of the New Century. There is a decade to go before the last festival's 50th anniversary. Even a modern government should find that long enough to plan a fitting symbol of British self-confidence in the face of the new millennium.

Dilemma over house debts

From Mr K. D. Buckthorpe

Sir, Judge Parmiter, of Torquay county court, is right to insist (report, May 1) that repossession of mortgage defaulters' houses should be very much a measure of last resort. Proceeding to sell properties by auction, for knock-down prices, benefits hardly anyone except the auctioneer and a handful of lucky first-time buyers.

When the borrower's home is disposed of for only 50 per cent of a fair open-market valuation, it is almost certain that the borrower will lose any equity he held in his former home, which would have otherwise been used to pay off repayment arrears. If the selling price is less than the original loan, the former householder will still be left with potentially massive debts.

Since it is likely that the property was purchased with a 95 per cent or 100 per cent mortgage, another loser is the insurance company which issued a policy covering the top 15 or 20 per cent of the loan, a figure which could easily exceed £25,000.

Mortgage lenders are usually the first to admit that disposing of reposessed homes is difficult for them because their business is about lending money, not marketing properties. In fact, with specialist marketing assistance, some lenders now routinely achieve 95 per cent of valuation in considerably less time than many normal sales.

Inevitably, some reposessed houses will eventually end up in the hands of the auctioneer, but they represent a very small minority. Perhaps a combination of less "aggression" and better marketing will result in a reduction in losses, not just in house prices.

Yours sincerely,
KEVIN BUCKTHORPE
(Managing Director),
PHE Asset Management Ltd.,
PHE Centre, Windmill Hill,
Whitchill Way, Swindon, Wiltshire.
May 1.

Election tellers

From the Head Master of St Peter's School, York

Sir, Your front-page photograph (May 3) showing two political party tellers in the doorway of an East-bourne polling station prompts me to question this particular election practice.

Am I alone in feeling uneasy and resentment that party representatives sit or stand so close to the ballot, challenging voters to give them their names and electoral register numbers? Many voters, unaware of tellers' status, think this part of the official voting procedure.

Would it not be healthier for democracy if tellers were banned from polling stations and their precincts?

Yours faithfully,
ROBIN PITTMAN, Head Master,
St Peter's School, York.
May 3.

Oxbridge conversions

From Mr Patrick Allen

Sir, In your April 26 leading article commenting on the "Kafka" trial lives on in Prague" (April 29), decided to interpret the case of Jan Kavan and his alleged association with the former Czechoslovak secret police exclusively on the "victim's" own account. Perhaps he should also take into account the official side of the story.

If he did, he would never be able to maintain that the "new parliament... set up a commission with a vague brief to root out informers, former STB secret police and members of parliament concealing their past". In fact, the brief was far from being vague: the said commission was to go through the remaining secret police files (the majority of which were destroyed during the "velvet" revolution of

1989 by the secret police themselves) and to report to parliament the identities of people whose names appeared in the remaining files.

It is simply not true that Kavan was not "given any warning that his name had popped up". He was told about it by the commission well before it was announced "in a live television broadcast on March 22" which, incidentally, was a televised meeting of parliament.

Since the beginning of 1991, Jan Kavan knew that his name had "popped up" and had a choice: either to resign or to decide to clear his name. He chose the latter and, as far as I know, his case will be dealt with by a court.

Yours sincerely,
KAREL KYNCL
(London correspondent,
Czechoslovak Radio),
5/120 Gloucester Terrace, W2.
April 30.

Reforms in NHS

From Mr Bowen Wells, MP for Bedford and Stortford (Conservative)

Sir, Those of us representing outer London districts of the London regional health authorities are delighted that Guy's Hospital, in its new trust form, has taken the decision (report, April 27) to cut its bloated staff, which has for so long prevented NHS money following patients to where they now live and deprived our hospital service of the funds necessary to develop the hospitals to care for patients nearer their homes.

The London hospitals have persisted in maintaining very high nurse-to-patient ratios, many times greater than our more efficient hospitals can afford, and with them a far higher ratio of community nursing para-medical services and ancillary staff.

Efficiency savings at all London hospitals are long overdue and it is only thanks to government reform of the health service that they are now beginning to take place.

Yours sincerely,
BOWEN WELLS,
House of Commons.
April 23.

Attitude of women in the workplace

From Mrs Alison Maguire

Sir, No one seems to have remarked on the clear link between the reported wish of many senior male executives to "quit the rat race and spend time with their families" (report on the University of Manchester Institute of Science and Technology's survey, *Life and Times*, April 17), and the (unsurprising) revelation that women "have different personalities from men and... do not strive so hard to get into top jobs" (report, April 29).

I have long observed that most female senior managers I know (including myself) are indeed less ruthless in their pursuit of promotion than their male counterparts. Not only do they have a broader perspective and value outside interests more highly, but their achievements in middle management challenge the long-held notion that single-mindedness is a prerequisite for good performance. Till now however this breadth of interests did seem to me destined to perpetuate their continuing low penetration of Britain's senior boardrooms and the House of Commons.

But the widespread change in men's social values implied by Unist's survey suggests that a combination of necessity (the re-

moval of home-based full-time wives) and example (of new female managers with different values) is at last releasing educated men from the pressure of their stereotyped role as breadwinner and high achiever.

This is good news for both sexes. For men it means the freedom to be multi-faceted without being written off as a dilettante: a serious desire (say) to paint, play music or look after the children as well as working will become accepted even for the most senior of managers. And for women who have the ability and wish to progress to the top, the "glass ceiling" will slide away as they increasingly compete against men with similar values and expectations.

Most significant of all, in the face of increasing social pressure from both sexes, British institutions will at last be dragged (albeit kicking and screaming) into the 21st century, and forced to adopt more flexible attitudes to working hours, travel, relocation, and child care. Maybe the age of truly equal opportunities is dawning, for all of us.

Yours sincerely,
ALISON MAGUIRE,
Stable House,
19 High Street,
Little Shelford, Cambridge.
May 6.

At risk in Burma

From Dr M. E. A. Panter

Sir, Whilst appreciating that at the present time natural and man-made disasters in Iraq, Africa and Bangladesh rightly occupy centre stage in public concern, there is another unpublished drama, of almost equal tragedy presently being played out on the Karen people, living in a beautiful and mountainous jungle corridor about 600 miles long in eastern Burma bordering with Thailand.

Approximately three million Karen live in this region, called Kwathoolci (land of flowers). They are a gentle, hospitable and warm-hearted people, highly Anglophile, many of whom fought and died valiantly alongside British forces in the war.

Following 42 years of struggle for freedom and democracy, under their leader General Byo Mya, at present many thousands of Burmese forces with fighter aircraft and helicopter

gunships are poised within mortar fire of the Karen headquarters at Manerplaw, threatening to "destroy and eliminate" the Karen "problem".

Having recently returned from Kwathoolci with a medical team from the United Kingdom on a Christian medical mission project, I can personally attest to their tragic dilemma. Dreadful atrocities have been committed by Burmese forces over the years, wholesale slaughter of defenceless villagers, rape and torture being commonplace. I have spoken with many who have experienced such. Now the Karen stand on the brink of destruction by an illegal and brutal regime.

Will Western governments take notice of another people, whose human rights are being grossly violated and who have no voice to let their cry be heard?

Yours faithfully,
MARK E. A. PANTER,
c/o 72 Berners Street,
Ipswich, Suffolk.
May 3.

Religion in schools

From Mr John Burn

Sir, Robert Jackson (May 1) properly draws attention to the serious lack of qualified teachers of religious education. This is confirmed by the 1989-90 annual report of the Senior Chief Inspector of Schools.

The problem is a complex one. For many years the subject has had low status with insufficient curriculum time. Despite the helpful changes embodied in the Education Reform Act the subject has virtually disappeared in many secondary schools. The march of secularism and relativism has taken its toll. The subject is no longer seen by many with influence as part of the world of public knowledge, in the way in which science and history are regarded, but merely a matter of private belief and concern.

Those of us who care about its basic importance in the school curriculum wish to see it as a subject with content and integrity, con-

cerned with the examination of truth claims and with sufficient time allocated to it throughout every year of schooling to win the respect of teachers, parents and students.

The easing of pressure on the Key Stage 4 curriculum will help. In the recruitment of religious education teachers there is a considerable psychological problem to overcome, however.

Evidence needs to be forthcoming that governors and headteachers recognise the significance of the subject for the proper education of all young people by giving it an adequate allocation of time. Unless this happens many prospective teachers of religious education will believe that there will be no real job for them to do in schools.

I am, yours faithfully,
J. BURN, Headteacher,
Longbenton Community
High School,
Halsburn Avenue,
Longbenton, Newcastle upon Tyne.
May 1.

'Trial' in Prague?

From Mr Karel Kyncl

Sir, Michael Binyon, in his report entitled "Kafka's trial lives on in Prague" (April 29), decided to interpret the case of Jan Kavan and his alleged association with the former Czechoslovak secret police exclusively on the "victim's" own account. Perhaps he should also take into account the official side of the story.

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1989 by the secret police themselves) and to report to parliament the identities of people whose names appeared in the remaining files.

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Yours sincerely,
KAREL KYNCL
(London correspondent,
Czechoslovak Radio),
5/120 Gloucester Terrace, W2.
April 30.

From Mr Richard E. Lea

Sir, Your leading article on the NHS (April 29) stating that the aim is to give patients more choice suggests you do not understand the government's reform of the health service. Formerly a patient could be referred to any hospital in the country, but with the development of contracts between purchasers and providers of service, the patient will be sent to the hospital which has a contract with the referring doctor or health authority.

It is also likely that in referring a patient to a particular centre the major consideration will be cost, not quality of care. The patient will have less choice.

Some of the health reforms introduced by the government, such as audit of medical care, are good, but many are poor and ill-conceived, in particular the reduction of choice.

Yours faithfully,
RICHARD LEA (Consultant
thoracic surgeon),
Southampton General Hospital,
Shirley, Southampton, Hampshire.

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071 782 5046).

From Mr Nigel H. Harris

Sir, Proposals to reduce jobs and close departments in two major hospitals (with more to come) have provoked a predictable response from the health secretary and the prime minister. Mr Waldegrave argued (report, April 29) that such decisions are a matter for local management, not politicians. This of course is true and the reforms were so designed that politicians could legitimately avoid responsibility for making unpleasant decisions. He did not point out, however, that the government is responsible for the chronic under-funding of hospitals over the years, and this is the inherited problem with which managers have to grapple.

The prime minister has said that any savings would be used for patient services. Does he not appreciate that the loss of jobs and closure of departments is designed to pay off accumulated debts and there will be no surplus money to give back? Mr Peter Griffiths, chief executive of Guy's, says that patient services will not be affected. The reality is that some departments will close and reduction of services is inevitable.

Yours faithfully,
N. H. HARRIS,
72 Harley Street, W1.

Preparing for a mass disaster

From Brigadier D. Declan O'Brien

Sir, Given a disaster of between 200 and 300 casualties, Britain's statutory emergency services have always coped admirably; but a catastrophe with thousands, or tens of thousands, of casualties (in Bhopal there were some 20,000, with 2,500 deaths) would overwhelm local rescue and medical services.

For example, there is no contingency plan for mobilization of the huge quantities of medical supplies required after local stocks are exhausted and no information is available to planning officers, on computer or otherwise, as to where or how such supplies could be obtained in the quantities required. (Of drugs donated by international relief for the Armenian earthquake in 1988 only 30 per cent proved usable).

A disaster of Chernobyl or Bhopal proportions would be declared a national emergency. What then? The voluntary aid societies (British Red Cross and St John Ambulance) would activate the National Joint Emergency Executive Committee (NJECC) which controls county JECCs, liaising appropriately with local authorities. However, no national organisation exists to co-ordinate statutory services when local resources are overwhelmed. Contingency planning is needed, now, if we are to avoid a headless chicken response from diverse services.

Perhaps the Home Office and other ministries concerned hope to pass this buck to the Ministry of Defence. But what if our forces are fully committed elsewhere? Furthermore, when the "peace dividend" has to be paid, the cloth will be cut with no regard to this potential role. Time is not on our side.

Yours faithfully,
DECLAN O'BRIEN
(Medical adviser),
The UK Institute of Healthcare,
6 Sawrey Street, Millbay,
Plymouth, Devon.

Struck-off solicitor

From Mr Oscar Beuselinck

Sir, I know nothing of Roy Oddy's full dealings with the Law Society, but I find it appalling that he should be struck off for "abusive behaviour" which, prima facie, seems to consist of strongly expressed remarks which, if justified, could possibly be dealt with by actions for libel (report, May 3). Are we now so thin-skinned that a few expletives can end a man's career? To paraphrase a public advertisement about Henley, "what a lot of rowlocks!"

I have, over the years, written to the *Law Society Gazette* about questionable professional matters. The editor declined to publish my letters which in two cases criticised ex-presidents of the society.

Some years ago a solicitor was struck off for giving character references which he contended were given honestly but erroneously about tenants who turned out to be prostitutes. Yet large London firms have given references which have been the subject of criticism from the highest levels without, seemingly, any action by the Law Society: at least I have heard of none such.

I wonder if I am the only solicitor who, even today, believes that this conduct merits far greater censure than the abusive behaviour attributed to Mr Oddy.

Yours faithfully,
OSCAR A. BEUSELINCK,
136a Bedford Court Mansions,
Adeline Place, WC1.
May 2.

Arms bazaar

From Dr David Lowry

Sir, Your leading article, "Arms and the UN" (April 25), ends with the injunction that taxpayers' money should not be used to "lubricate the arms bazaar". Yet a written parliamentary reply by junior defence minister, Alan Clark, on April 24 (Official Report, column 484) to Harry Cohen, MP, affirms that representatives from the Ministry of Defence "will be participating in the defence components and equipment exhibition to be held in Birmingham" in May.

These civil servants or members of the armed forces are necessarily paid out of the public purse, that is, taxpayers' money. Mark Seddon's excellent article on Indonesia's military occupation of East Timor, supported by your leading article (April 20), states that since 1978 Britain has supplied arms and planes to Indonesia. Thus the sales began under a Labour government and have continued during the Conservative administration.

Calls for the restrictions on arms sales, as were made by the foreign secretary to Parliament on April 24, would have more credibility if the Ministry of Defence abstained from promoting them.

Yours sincerely,
DAVID LOWRY (Director),
European Proliferation
Information Centre,
258 Pentonville Road, N1.
April 26.

Milestone

From Mrs Winy M. Thornton

Sir, What was the best thing before sliced bread?

Yours faithfully,
WINTY THORNTON,
Wilderbank House, Kirkbrac,
Glasgows, Selkirkshire.

● BUSINESS AND FINANCE 21-27
● LAW 25
● MEDIA 29
● SPORT 34-40

THE TIMES BUSINESS

WEDNESDAY MAY 8 1991

Business Editor
John Bell

Dunn and Hodges ready to merge

TWO grand old men of the British clothing sector are expected to join forces in an attempt to strengthen their businesses and beat the recession. Dunn & Co, the menswear group that was put up for sale in January, is close to a merger with Hodges Menswear, the Welsh clothing retailer.

Robert Lees and William Smith, the men behind Aynhouse, the newly formed company in negotiations with Dunn & Co, are believed to have a stake in Hodges Menswear. They plan to merge the two groups under the George Arthur Dunn name.

Dunn & Co was founded in 1888 by George Arthur Dunn, a Quaker, who started his career selling gentlemen's hats in Birmingham. Hodges, a privately owned company, goes back even further - to 1858. Today it is run by Brian Greenwood and his son David. The group has around 120 shops in Wales and the Southwest and has a solid reputation as a retailer for older men. However, it introduced womenswear to 38 of its stores to give its customers "even greater choice".

The combined Dunn-Hodges group would own a chain of over 200 stores, making it one of the largest menswear retailers in the country. Around half of the Hodges stores and two-thirds of Dunn's are freehold and it is possible the buyers will finance part of the purchase with a sale and leaseback deal.

Although Hodges has a turnover estimated to be around £15 million and profits of less than £5 million, the contribution from the shops would help to cover the group's central overheads.

Mirror deadline

The offer for sale of Mirror Group Newspapers, which will raise £246 million and value the newspaper group at £501 million at the 125p per share flotation price, ends tomorrow. *Times*, page 23

Deluge of lawsuits expected

Banks face bill of £550m after swaps decision

By ANATOLE KALETSKY, ECONOMICS EDITOR

THE government will not restore the billions of pounds worth of local authority swap transactions deemed illegal in January by the House of Lords.

The decision, announced yesterday in Parliament by Michael Heseltine, the environment secretary, will cost British and foreign banks in the City about £550 million. But it will save chargepayers in Hammonds & Fulham, the local authority that was most deeply involved in the swaps market, from additional poll tax bills of up to £1,700 each.

The Bank of England, which wanted the government to introduce legislation to validate the illegal transactions, was understood to be disappointed by the decision and private bankers predicted a deluge of new lawsuits against local authorities.

Government ministers said it had become clear that validating the faulty contracts was out of the question. Neither was there a moral or legal case for compensating the banks.

The swaps allowed local authorities effectively to convert fixed-rate borrowings from the Treasury into variable rate loans from a bank. When interest rates were falling, between 1985 and

1987, swaps helped the councils reduce their borrowing costs, enticing local treasurers to enter into ever larger transactions. Some treasurers saw swapping as a kind of profit centre and were drawn beyond interest-rate hedging into outright speculation. When interest rates rose unexpectedly from 1988 onwards these gambles proved extremely costly, while losses mounted as a few treasurers expanded their swap portfolios to make good their past mistakes.

In Hammonds & Fulham, the worst-affected authority, losses totalled more than £160 million. The swaps market froze from February 1989 onwards after the Hammonds district auditor instructed the council to stop paying the banks.

The legal validity of swaps was first questioned in 1987, and in a series of judgments starting in 1989, the courts ruled that councils did not have the legal power to enter into swaps. After the House of Lords confirmed in January this year that all swaps were illegal, the banks and the Bank of England began to demand retrospective legislation to "validate" the contracts.

If all the illegal transactions had been validated, Hammonds & Fulham chargepayers would have received additional poll tax bills of at least £1,250 and possibly as much

as £1,700 each. John Maples, the economic secretary to the Treasury, said this would have been unreasonable, given that the elected councillors in Fulham and most other local authorities had not been consulted by the officials undertaking the swaps.

Bankers suggested a limit be imposed on the size of loss that any one council could be made to bear. But Mr Maples said it had proved impossible to devise criteria that would have validated some swaps while rescinding others.

He added that banks could seek restitution from local authorities for some of their past payments under existing laws. Treasury officials estimated this would cut the banks' losses by about £125 million and said the Treasury would bear 35 per cent of the banks' losses through tax repayments, leaving a net loss for bank shareholders of about £75 million.

Sir Nicholas Goodison, chairman of the TSB Group and president of the British Bankers' Association, described the decision as "very regrettable".

He said: "I believe it will do great long-term damage to London's standing in international financial markets. I hope I am wrong." Citicorp also condemned the decision as "the worst possible outcome".

Pru sells last agencies

By MATTHEW BOND

PRUDENTIAL Corporation last week informed its shareholders that it was "emotionally uncommitted" to being a residential estate agent. Yesterday, it announced that it had sold its 108 remaining branches in the south east of England for just £2 million and, in the process, crystallised a total loss approaching £300 million.

Mick Newmarch, the Pru's chief executive, in the same annual report that last week informed shareholders that his salary had risen from £380,000 to £544,000, wrote: "In retrospect, we can now see that this business was inappropriately managed as market conditions became much worse than anything expected... From bitter

experience we were forced to recognise that estate agency is, per excellence, a locally based entrepreneurial business, operationally and emotionally unsuited to centralised corporate control."

The Pru's final retreat from estate agency came after the completion of the sale of its last 108 branches to a new company run by Paul Rooney, a Sussex estate agent. Mr Rooney's bid was backed by Provident Mutual.

According to Brian Medhurst, managing director of Prudential Property Services, the Pru's total investment in assembling and running its 500 branch operation was £338 million. The proceeds from the sale of all the branches total little more than

£30 million. "It's a lot less than we paid for them," Mr Medhurst said.

Since the decision to withdraw was announced last September, four separate sales have been agreed. In January, Woolwich building society agreed to buy the 191 branches that made up the Pru's Thames and eastern divisions for £21.75 million. In the following weeks the western division was sold to Connells for £4.5 million and the northern division to a management buyout for £3.3 million.

Yesterday's announcement of the sale of the 108-branch southeast division takes the total number of offices sold to 496 and the total proceeds to £31.5 million.

Newbold joins board of BT

By MARTIN BARROW

WOMEN continue to make progress in the boardrooms of Britain's largest companies. Yve Newbold, company secretary of Hanson, becomes the first woman to be appointed to the main board of BT when she joins as non-executive director on June 1.

Married with four grown-up children, Mrs Newbold is a qualified solicitor and joined Hanson in 1986 after four years as European counsel for Walt Disney Productions.

From 1979 to 1982 she acted as international counsel for the Xerox Corporation in

America, following seven years as chief staff lawyer at Rank Xerox. She started her career as staff lawyer at IBM United Kingdom.

Mrs Newbold qualified as a solicitor in 1970, after obtaining a law degree from London University and attending the College of Law, London.

Women have previously held directorships at the operational level at BT. Iain Vallance, chairman of BT, said: "I very much welcome the wide business experience that she will bring to the board."



Leading lady: Newbold

Administrative receivers move in

Arena puts Warren on the ropes

By JON ASHWORTH

FRANK Warren, Britain's most colourful boxing promoter, was up against the ropes last night as the receivers moved in at Arena Developments (Europe), the company that owns the London Arena.

Mr Warren, chairman of Arena, described the move as a "temporary measure" that would secure the future of the 13,000-seat stadium on the Isle of Dogs in East London. But Price Waterhouse, which has been appointed administrative receiver, said it was too early to judge the outcome of events.

Three weeks ago, Mr Warren said, he had exchanged contracts on a £20 million sale and leaseback to secure the stadium's future. The deal was struck with Occidental Finance and Holdings, the industrial and financial conglomerate headed by Larry Gillick, the Scottish businessman behind the consortium bidding for Tottenham Hotspur

football club. Mr Warren insists the latest turn of events is part of the deal. It was possible, he said, that the administrative receivers would be present for only a week, to allow time for the sale to Occidental to go ahead.

Mr Warren added: "We felt the appointment of administrative receivers was the best course of action to protect the interests of creditors." Jonathan Phillips, joint administrative receiver with Mark Homan, both partners of Price Waterhouse, said it was too early to tell whether the deal would proceed. Mr Phillips said: "If the deal with Occidental is the best, then we may well proceed. It may be that the deal is binding if contracts have validly been exchanged, but I am still in the dark a little."

The London Arena's cashflow problems have been blamed on delays in completing construction, cost overruns and the cost of new safety regulations

brought in after the stadium disaster at Bradford.

The main concern of the administrative receivers is to sell the Docklands venue at the best price, ideally as a going concern. This raises the prospect of an open bid, with several suitors throwing their hats into the ring. The financial wranglings have not halted tonight's WBC Light Middleweight title fight between Tony Collins and Ricardo Nunez. Price Waterhouse said it had been easier to let the fight proceed, but would be considering whether future events would go ahead.

Whether Mr Warren will maintain his links with the Docklands venue remains to be seen. He has been offered a role as consultant to the Arena, assuming the deal with Occidental proceeds, but has yet to decide whether to accept.

Boxing preview, page 34



Candle power: a fire at an electricity sub-station plunged London's Hyde Park Hotel into the gloom yesterday during a photocall for Scottish power privatisation. Roger Young, left, chief executive of Scottish Hydro-Electric, and Ian Preston, of Scottish Power, looked on the bright side. They hope to increase electricity exports to England. Not a moment too soon, some spark might say, after Scotland's power chiefs were left roaming 'in the gloom'.

British chambers fear EC charter

By OUR INDUSTRIAL EDITOR

BRITISH competitiveness could be "seriously undermined" by Europe's social charter proposals on new employment rights, British chambers of commerce have warned.

Earlier this week, Michael Howard, the employment secretary, put alternative British proposals to European employment ministers meeting in Strasbourg on one of the most contentious areas of the social action plan - the enactment of the European Community's social charter - about employee involvement and consultation.

After Mr Howard's move, the Association of British Chambers of Commerce said that Britain's figures on the cost of the proposals could be considerably under-estimating their true impact.

The proposals cover a wide range of areas, including part-time and temporary work, working time, the protection of pregnant women and European works councils.

In a research document detailing the social programme, the chambers said that the British employment department's estimate that the cost of the proposals could be as much as £3 billion and considerably less than the final figure once full account had been taken of the reduction of workforce flexibility.

Richard Brown, ACBC director of policy, said that the £3 billion estimated direct costs could be only "the tip of a very large iceberg which threatens businesses with the old rigidities that it has successfully rid itself of over the past decade".

OFT calls for takeover doctrine to be revised

By PHILIP BASSETT, INDUSTRIAL EDITOR

THE government should revise its doctrine on the takeover of British companies by foreign-owned nationalised industries, the Office of Fair Trading has said.

The statement, given to the all-party House of Commons select committee on trade and industry yesterday, is the furthest the office has gone in disagreeing with the guidance put forward by Peter Lilley, the trade and industry secretary, against the takeover of British companies by foreign-owned nationalised concerns.

Last year, Mr Lilley said that after years of effort by the Conservative government against state ownership, such takeovers were nationalisation by the back door.

Since then, the OFT has

come into conflict with the trade and industry department, its sponsoring body, on a number of occasions over the Lilley doctrine.

The OFT has advised that a proposed merger should not be referred for examination by the monopolies and mergers commission on the grounds of competition policy because there has been no basis to do so, only to see Mr Lilley's department make such a reference in the light of the so-called Lilley doctrine.

Sir Gordon Borrie, director general of the OFT, told the committee that on the last three occasions Mr Lilley had made such a reference in spite of the OFT's advice, the MMC had found in favour of the mergers and, in effect, in

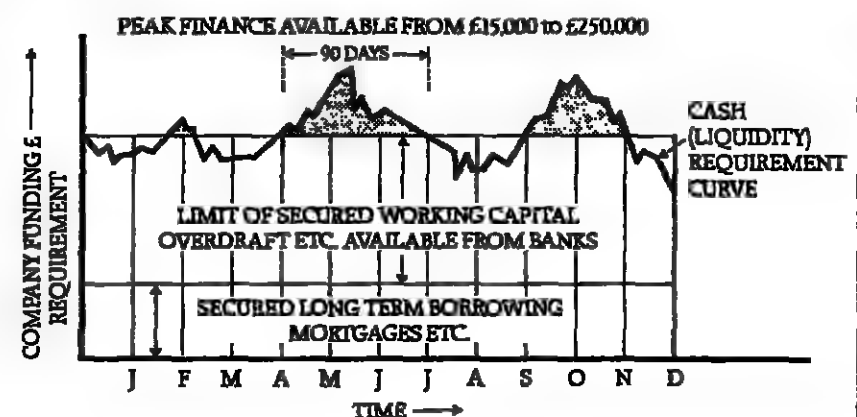
favour of the OFT advice. Sir Gordon said he had "done his best" in accordance with the Lilley doctrine, but made it clear that this was no longer satisfactory as an implementation of competition policy.

Sir Gordon accepted there were some advantages in suggestions to merge the OFT and the MMC, acknowledging that in countries such as Germany, a merged body worked well. He argued, however, that there were considerable advantages in keeping separate the pre and full investigation bodies in merger affairs.

He rejected charges made by a number of commercial and legal companies that the processes of the OFT were too secretive.

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THE ROUND

US dollar 1.7225 (+0.0295)
German mark 2.9588 (-0.0068)
Exchange index 91.5 (+0.3)

STOCK MARKET

FT 30 Share 1989.7 (+15.5)
FT-SE 100 2540.5 (+17.8)
New York Dow Jones 2943.20 (+1.56)
Tokyo Nikkei Ave 2642.14 (-135.72)

MAJOR CHANGES

RISER:
Westpac 218p (+8p)
Allied-Lyons 569.5p (+18p)
Hendy & Hens 577.5p (+8p)
SA Breweries 822.5p (+15p)
Broken Hill 571.5p (+24p)
Watson & Philip 321.5p (+12p)
Bristol 427.5p (+13p)
Reed Int'l 427.5p (+13p)
Rothmans 'B' 889p (+12p)
BAA 437.5p (+8p)
Anglo Group 212.5p (+20p)
Lester Walker 253p (+42p)
Reitars 785p (+10p)
Yorkshire TV 283.5p (+9p)
Kilmorty Broom 337.5p (+9p)
FALLS:
Bank of Ireland 189p (-8p)
J. Mowlem 285.5p (-7p)
Eurocity 87.5p (-8p)
Sturge Hodge 249.5p (-13p)
Wills Corson 308.5p (-9p)

INTEREST RATES

London: Bank Base: 12%
3-month interbank 11 1/2%
3-month strip 10 1/2%
US: Prime Rate 8 1/4%
Federal Funds 5 1/2%
3-month Treasury Bills 5.48-5.49%
30-year bonds 9 3/4-9 7/8%

CURRENCIES

London: New York
£ \$1.7225 £ \$1.7225
£ DM2.9593 £ DM2.9593
£ Sfr2.5052 £ Sfr2.5052
£ FF10.0273 £ FF10.0273
£ Yen237.37 £ Yen237.37
£ Index 91.5 £ Index 91.5
ECU 20 669.66 ECU 20 669.66
£ ECU1.40891 £ ECU1.40891

GOLD

London Fixing:
AM \$352.25 pm \$356.15
close \$355.00-356.50 (\$208.80-
307.30)
New York:
Comex \$357.35-357.85

NORTH SEA

Brant (day) \$19.90 bid
Denotes latest trading price

RETAIL PRICES

RPI: 131.4 March (1987=100)

Harcourt subject of unwanted rescue

By GRAHAM SEARJEANT
FINANCIAL EDITOR

AFTER a split on the board of Harcourt Group, the loss-making packaging conglomerate has received what amounts to an unwanted rescue bid from a financial and management group with backing from holders of 40 per cent of Harcourt shares.

Capital Ventures, an unquoted subsidiary of Rutland Trust, is bidding £2.5 million in shares or cash for Harcourt's ordinary shares, valuing them at just 8p. There is also an offer for the preference shares, valuing them at a claimed 65p in shares, worth a total of £2.8 million, but only 18p in cash.

If successful, Capital Ventures, which specialises in business expansion schemes, will seek a full listing for its shares.

In its previous guise as Thorpac, Harcourt was a fast-growing group quoted on the Unlisted Securities Market. Profits nearly doubled to £2.6 million pre-tax in 1989-90 but slid into losses in the year to end-March, causing the ordinary dividend and the latest preference payment to be waived.

The ordinary shares slid from 41p early last year to 6p. Peter Underhill, who runs Capital Ventures with Dennis Fredjohn, joined the board of Harcourt after selling the group's packaging company. He resigned last September after a dispute with Michael Moseley, the chairman. He has since formed a concert party backed by two similarly placed Harcourt directors and some managing directors of other subsidiaries. This holds 31 per cent of the Harcourt preference stock and 20 per cent of the ordinary. A further 13 per cent of the ordinary shares are committed to the offer and holders of another 8 per cent favour the bid.

As part of the plan to develop Capital Ventures, it will raise £2 million via a placing prior to seeking its own quotation by way of introduction. If the offer succeeds, David Rhead, former chairman of LCP Holdings, the industrial holding company, will join Capital Ventures' board to help turn around Harcourt.

Mr Underhill said Capital Ventures, which made pre-tax profits of about £1 million last year and had £2 million of cash, had earned a better reputation than many other promoters of BES.

Mr Moseley and the three other Harcourt directors not involved with Capital Ventures asked other shareholders to ignore the offer.

Caution at James Beattie despite rise

By PHILIP PANGALOS

INCREASED investment income helped James Beattie, the Wolverhampton department stores group, to lift full-year profits 2.9 per cent, although the company sounded a note of caution on the future.

Sir Eric Pountain, chairman, gave warning that "the trading climate continues to be difficult" and projections indicated that results for the first half of the current year "will not match up to 1990-91".

Pre-tax profits climbed from £8.77 million to £9.02 million in the year to end-January, on sales ahead from £64.2 million to £67.1 million.

Trading profits declined 4.2 per cent from £6.28 million to £6.02 million, but investment income and interest receipts jumped 20.5 per cent from £2.5 million to £3.01 million.

The company said that heavy snow in December resulted in lost sales of about £1 million.

Earnings per share rose from 12.51p to 13.03p. The final dividend is increased to 4.1p (3.8p), making an improved total of 5.5p (5p) for the year.

With effect from 15th May 1991 the rate of interest charged on Scotplan and Scotmaster accounts will be 2.00% per month (APR 26.8%). The creditor rate of interest on Scotplan accounts is 4.00% per annum gross, equivalent to a compounded annual rate of 4.07% gross.



BANK OF SCOTLAND
A FRIEND FOR LIFE

Business start-ups outrun closures despite recession

Small firm growth stays buoyant

By PHILIP BASSETT
INDUSTRIAL EDITOR

SMALL firms have continued to grow in number over the past year, despite difficult trading conditions in the recession, the government said yesterday.

The government's second annual report on the small business sector in Britain said that while preliminary figures showed the growth in small businesses was running at a lower rate in 1990 than previous years, it was still higher than the average rate of growth for the Eighties.

Michael Howard, employment secretary, said that the recession had made an impact on small firms' growth, but he said: "It is certainly still the case that more small firms are setting up than closing down." Because small companies carried less debt than larger firms, he said, they were less affected by the cost of borrowing — though with interest rates coming down, borrowing costs were being eased for all companies.

The employment department's report said that the early indications for 1990 were that the number of small businesses grew by an average of 800 per week, although this is considerably less than the record growth rate of 1,700 per week during the previous year.

In the decade from 1979, the total number of small firms rose 29 per cent, or about 373,000 new companies. However, this is a net increase — the difference between the 1.92 million new businesses and the 1.54 million closures. The department said that new registrations are running at around 16 per cent



Little acorns: Michael Howard looks to new companies to provide the best hedge against rising unemployment

of the total business stock annually, while deregulations are about 11 per cent.

The report accepted that many businesses do have a relatively short lifespan, with the most dangerous period somewhere between 12 and 20 months after start-up.

Insolvencies have risen substantially since 1989, the

report accepted, but said they still amounted to only about 1 per cent of the stock of businesses.

The report also claimed that small businesses contribute a disproportionate amount to job creation. Forthcoming research work for the employment department, carried out at Newcastle University, will show that the majority of job

creation occurs in smaller companies, with firms employing fewer than 20 people creating more than twice as many jobs as larger companies in the period 1985-89.

Mr Howard said that the continued growth of the small firms' sector in the more difficult recent economic climate was a testament to their flexibility and adaptability.

He said: "The relative size of the small firms' sector continues to rise."

Speaking to a small business conference in London to launch the report, Mr Howard also stressed the role of the government's Training and Enterprise Councils in promoting the spirit of new-business enterprise.

Security firm soars by 64%

By OUR CITY STAFF

THE increase in the crime rate has buoyed demand at Ambassador Security Group, the alarms and security company where John Stalker, the former deputy chief constable of Greater Manchester, is a non-executive director.

In the year to end-December, pre-tax profits surged 64 per cent to £1.02 million (£625,000). Turnover, boosted by acquisitions, jumped by 123 per cent from £2.1 million to £4.69 million.

Fully diluted earnings per share climb from 4.08p to 4.26p. There is a final dividend of 0.35p, making an improved total of 0.6p (0.5p) for the year. Shares firmed 4p to 34p.

Aegis to acquire remaining 70% stake of TMD Group

By GILLIAN BOWDITCH

AEGIS Group, the media buying and communications business formerly known as WCRS, is to acquire the 70 per cent of TMD Group, the USM quoted media buyer, that it does not already own. Aegis is also placing £30 million of new shares and restructuring the deferred payments due on an earlier deal.

TMD shares rose 93p to 340p on news of the recommended deal, which values TMD at £33.4 million. Aegis, which already owns 29.9 per cent of TMD, is offering 33 new ordinary shares in Aegis for every 19 TMD shares.

There is a cash alternative of 330p a share.

The paper offer values each TMD share at 334.3p and Aegis has received irrevocable undertakings to accept the offer from the holders of 4.13

million TMD shares, representing 41.3 per cent of the group. Together with the shares already owned, Aegis is now interested in 71.2 per cent of the group.

TMD, which is one of the largest independent media buying groups in Britain, has close links with Carat, Aegis's wholly owned subsidiary.

For the year to end-August last year, TMD made profits

of £3 million on sales of £170 million and had cash reserves of £14.6 million.

To finance the acquisition of TMD, to reduce Aegis group borrowings of about £50 million and to fund future expansion, Aegis is placing £30 million of new equity with Warburg, Pincus, the American investment firm.

The placing will take the form of an issue of units made up of one ordinary share in Aegis and one warrant to subscribe for a further ordinary share within the next seven years at 315p. The units are priced at 260p and the placing is subject to a clawback by shareholders. After the deal, Aegis's group debt is expected to be about £30 million.

Aegis has also renegotiated the terms of its deferred payments to Carat. Two instalments of FF125 million, which were due to be paid in December this year and next in cash or shares at Aegis's option will now be met by the issue of 12.5 million ordinary Aegis shares at 200p each. A further payment is due in December 1993, Aegis shares rose 20p to 213p.



Outperforming their peers: Dermot Smurfit, left, and Robert Holmes, chief financial officer, remain cautious about the prospects for 1991

Smurfit slides to Ir£173m

By MATTHEW BOND

THE \$3 billion refinancing of its American operations in 1989 continues to benefit Jefferson Smurfit, the Irish packaging company.

A 29 per cent fall in pre-tax profits to Ir£173 million (£154 million) reflected the loss of profits from most of Smurfit's American businesses to the

specially created off-balance sheet company. However, with \$2.6 billion of accompanying debt now also held off-balance sheet, Smurfit's earnings per share rose from 51p to 52p.

Smurfit's deputy chairman Dermot Smurfit was cautious about the group's prospects in 1991. "The facts are that we are not insulated from the

conditions in the industry. But we will continue to outperform our peers."

Last November, Jefferson Smurfit invested £15 million in the rescue refinancing of Brent Walker, the leisure group. The final dividend is increased to 3.48p (3.237p) for a total of 5.053p (4.7p).

Tempos, page 23

Germany's east-west disparity widens

By WOLFGANG MÜNCHAU
EUROPEAN BUSINESS CORRESPONDENT

THE economic gap between eastern and western Germany widened further last month with unemployment falling sharply in the west while rising in the east, a trend expected to accelerate sharply in the summer.

Western German unemployment fell to 5.8 per cent last month, representing a jobless total of 1.65 million, down from 1.91 million in April last year and signalling continued strength in the western German economy.

Effective unemployment in eastern Germany is now believed to be about 2 million, or 23 per cent of the workforce. Officially, there are 840,000 jobless, although this is distorted by government-sponsored

short-time work. The total number of eastern German short-time workers has risen above 2 million for the first time, and it is expected that the vast majority will lose their jobs on July 1, the anniversary of German monetary union and the day when short-time subsidies will end.

By July eastern German unemployment will approach 40 per cent, which contrasts with unemployment of just more than 1 per cent last July.

Jürgen Möllemann, the economics minister, has already declared that it will not be acceptable to let unemployment grow above that anticipated level, because of rising social tensions in the east among workers unaccustomed to the concept of labour as a commodity. Meanwhile, the western German economic boom continues in spite of predictions of a

marked slowdown of economic growth this year.

Falling unemployment, now estimated to be close to or below its natural rate, has already led to steep wage rises of 6 per cent in the public sector and 7 per cent, more than twice the rate of inflation, in the country's key metal industry, a trend set for other industries.

One example of acute labour shortages was presented yesterday by Bayer, the chemical company, which said that applicants for traineeships, usually the most sought-after jobs, have gone down 25 per cent over the past four years, while in some cases only less than half of the available vacancies have been filled.

The sharp fall in unemployment will increase concern about an overheating economy and medium-term

prospects of higher inflation, now expected to rise to between 3.5 per cent and 4 per cent by the year-end.

Strong profit margins are likely to prevent higher labour costs feeding through to price increases in the short-term.

While there are evident signs of an overheating economy in the West, it appears not to be on the same scale as during the booms of the early and late Seventies.

Germany's output growth is only about 1 per cent above the estimated potential rate, compared to an "excess" growth of 3 per cent in 1979. Nevertheless, the signals given by the unemployment data and the accompanying strong rise in wage costs, are likely to concern the Bundesbank. A tight monetary policy for most of the year can be expected.

BUSINESS ROUNDUP

Tootal says Coats aided industry fall

COATS Vytella is accused of being "one of the main factors" in the decline of the British textile industry, in a scorching attack by Tootal, the target of a hostile £252 million takeover bid by Coats. Anthony Hagood, Tootal chief executive, claims Coats is a "textile conglomerate with serious commercial problems" and a reported profit record that "may have obscured the severity of its decline".

Toye payout maintained

TOYE and Company, the civil and military regalia group, lifted pre-tax profits from £590,000 to £721,000 in the year to end-December, as turnover climbed by 12 per cent from £11 million to £12.4 million. Earnings per share rose from 20.19p to 22.02p. The dividend for the year is maintained at 8p. Export enquiries received and orders booked remain "at an all time high". Shares were unchanged at 199p.

French bank agrees deal

CREDIT Lyonnais, the French state-owned bank, has agreed in principle to buy Banco Santander from Spain's Banco Santander. According to the French press, the price is between Fr2.7 billion and Fr3 billion. Credit Lyonnais bought Banco Comercial Espanol from Santander last year. "This new acquisition is a perfect complement to our operations in Spain," a spokeswoman said.

Talks on export cover

OFFICIAL policy on providing insurance for British exports to the Soviet Union will be debated at the end of this month, the Export Credit Guarantee Department said. Foreign and Commonwealth Office, Treasury and trade and industry department will consider a resumption of official cover for medium term trade credits with the USSR. "No medium term cover has been available while the market has been under review," the ECGD said. Companies suffered severe delays in payment last year as economic restructuring in the USSR caused upheavals.

AAH to sell Weevsown

AAH Holdings, the health-care to building supplies group, is disposing of Weevsown, the investment holding company, for a premium to its net assets. The proceeds will be treated as an extraordinary gain. The effect on the group of the disposal will be to increase net assets by £6.5 million, while not materially altering the overall net debt position.

EFG finalises timber pullout

EFG, the garden to household goods group, has completed arrangements to withdraw from timber harvesting and marketing, by way of a sale of the business to its management. This follows the sale of EFG's forestry management business to Booker earlier this year. EFG will receive £112,000 for the fixed assets of the business.

Bayer falls by 5.4%

BAYER, Germany's largest chemical group, blamed the recession in America and in Britain for a 5.4 per cent fall in first quarter earnings this year to DM880 million. Hermann Streng, chairman of the executive board, said he is worried about personnel costs, which rose 4.6 per cent last year to DM1.4 billion, principally as a result of pay increases. This year Bayer will cut capital expenditure by 12 per cent to DM1.3 billion, and introduce an early retirement scheme to reduce its cost base. Last year's dividend was held at DM13 per share. There will be no rights issue this year.

LOF's sails into full year up 54%

By PHILIP PANGALOS

STEADY tanker markets and reduced interest costs helped London & Overseas Freighters, the British tanker company controlled by the Kulundis family, to a 54 per cent advance in full-year profits.

Pre-tax profits jumped from \$1.32 million to \$2.04 million in the year to end-March. Net freight and hire rose from \$9.76 million to \$10.5 million. Vessel operating costs increased from \$3.37 million to \$4.44 million.

Profits were supported by the five-year time chartering of the group's two tankers by Chevron Transport Corporation last June. Both vessels have been employed serving the American market.

LOF's recently commissioned the construction of a 150,000-ton Suezmax double-hull tanker, in a joint venture with Iroquois Shipping Corporation, the group's holding company, to be built in Japan by Mitsui Engineering and Shipbuilding Company in a deal worth \$70 million. The investment was backed by a five-year charter with Chevron. Trading profits edged up from \$3 million to \$3.04 million, while overall interest costs fell from \$1.68 million to \$1.08 million.

Earnings per share climb from 10 cents to 15.4 cents. The dividend is maintained at 1p for the year. The company said it is optimistic about the coming year and expects "the improving trend of earnings to continue".

Interest costs are expected to see a further reduction this year.

Jarvis lifts payout but profits plummet

By OUR CITY STAFF

DIFFICULT trading conditions in the construction industry have more than halved profits at Jarvis, the construction and property group.

In the year to end-December, the company reported pre-tax profits of £1 million, compared with profits of £2 million for the final nine months of 1989. The profits setback comes nearly four years after Harvey Bard won control of the company with a £7.5 million bid.

Despite the fall in profits, the final dividend is being increased to 1.175p (1.05p) to give a total of 2p (1.875p). Earnings per share fell from an annualised rate of 9.9p in 1989 to 4.2p.

At the end of last year, the value of the company's investment property portfolio had fallen by £3.6 million, which, together with a £700,000 write-off of goodwill, reduced shareholders' funds to £17.6 million (£22.3 million). However, Mr Bard was cautiously optimistic about a recovery in values.

"The property valuation was carried out as at December 31. Since then interest rates have fallen and the investment property market has started to show some signs of recovery."

Mr Bard said the company had year-end gearing of 34 per cent and no off-balance sheet debt.

سكرا من الامم

Britain's bankers will doubtless huff and puff over the Treasury ruling that dashes any lingering hopes they will be bailed out of losses on local authority swap contracts. This is to be expected. But there are some positive aspects to the sorry affair.

At least such deals are now off limits to local authorities and in that respect the position is clear. The Treasury bailed at any attempt to validate losses suffered by the bankers through a case by case examination of which deals constituted permissible hedging and which were outright speculation. This course would have entailed delicate judgments in grey areas and led to difficult legislation if the local authorities were to have remained players in the swaps market.

The Treasury decision also allows the outstanding claims and counter claims to be settled with relative speed. With new legislation out of the question it will be possible for test cases to proceed where banks are seeking restitution of past profits made by local authorities to be set against established losses. It is

Bankers must swap gain for pain

COMMENT

likely that, once the ground rules are laid down in the first few court cases, there will be a rush to settle out of court in order to save both time and expense. After tax, the banks are expected to be net losers to the tune of £250 million or so. Measured against the costs of other follies such as throwing money at troublesome third world borrowers or highly leveraged buyout deals, this is no great drama.

The clear losers are the Bank of England, especially in the eyes of overseas financial institutions, and London's standing as a financial centre. Some foreign banks have been making much of their losses in a market rightly or wrongly regarded as being under the wing of the Bank. They will doubtless take the view that Bank or no Bank, contracts thought to be enforceable at law have proved not to be so.

The Bank may not have been wise to call publicly for validation of all local authority

swaps contracts. For after the House of Lords ruling, the Treasury decision to stand aside represents a second blow to the Bank's standing.

This will be welcome to those in Paris, Frankfurt and elsewhere in the European time zone attempting to build rival attractions to London's established supremacy as a financial centre.

EBRD plans

The first official policy document published by the recently-launched European Bank for Reconstruction and Development did not turn out to be the long-awaited action plan, that would set out in detail the bank's first projects. Despite some earlier promises it is now evident that action remains some

time and a few board meetings away.

In fairness, perhaps, action at this stage might have been too much to expect from an institution, which has 41 quarrelsome shareholders and which only had 10 months to prepare itself for what must be one of the most daunting tasks in the history of development banking. But it shows that the initial, hurried enthusiasm to provide help and assistance for eastern Europe, at a time when it is needed most, is making way for the typical bureaucratic time scales which happen to be the undesirable side of international institutions. Eastern Europeans, fortunately, have over 40 years of practice when it comes to waiting for better times.

The document "Operational Challenges and Priorities: Initial

Orientations" repeats what has been said many times before: that the EBRD will act as a merchant and a development bank, that it will help with environmental, urban and infrastructural projects, that it will assist in privatisation and the creation of a financial sector. Nothing new here.

There is one aspect, however, which is indeed new, and this one is likely to raise a few eyebrows. "While rapid macro-adjustments are often advocated as the only way to protect the integrity of the reform process, at the enterprise level a more gradualist approach will be needed to ensure that the productive sector does not completely break down," the report says.

Whatever role the EBRD chooses to play in the east European reform process, the pace of economic reform is not only a matter of heated debate but more importantly a prerogative of the various countries

involved. Gradual micro-economic reform has not worked in the Soviet Union, and some economists argue, with some justification, that it would only prolong the adjustment process and the transitional pains.

The issue is by no means settled yet. East European countries are equally divided on this point. While Romania has decided in favour of gradualist reform, Czechoslovakia, let alone Germany, are taking the plunge into the market economy with as little transition time as possible. Moreover, how can one pursue radical reform on the macro-economic level but an evolutionary process at the micro-economic stage?

This leads us once again to the question of EBRD's role as a political institution.

Politics, particularly in Eastern Europe, can be a dangerous game. The EBRD would be better advised to come up with some concrete proposals rather than making *a priori* statements on issues which fall outside its framework, and, judging by the quality, outside its comprehension of the matter.

IBJ set to open account in universal bank league

INDUSTRIAL Bank of Japan is the world's most valuable bank, with a market capitalisation of \$66 billion, well over ten times the value of Citicorp of America and roughly equal to the sum of Europe's five largest private sector banks: Deutsche Bank, Union Bank of Switzerland, Barclays, Dresdner and National Westminster.

Ranked sixth in the world in terms of assets (\$260 billion), IBJ is on track to become the world's leading universal bank by the end of the century.

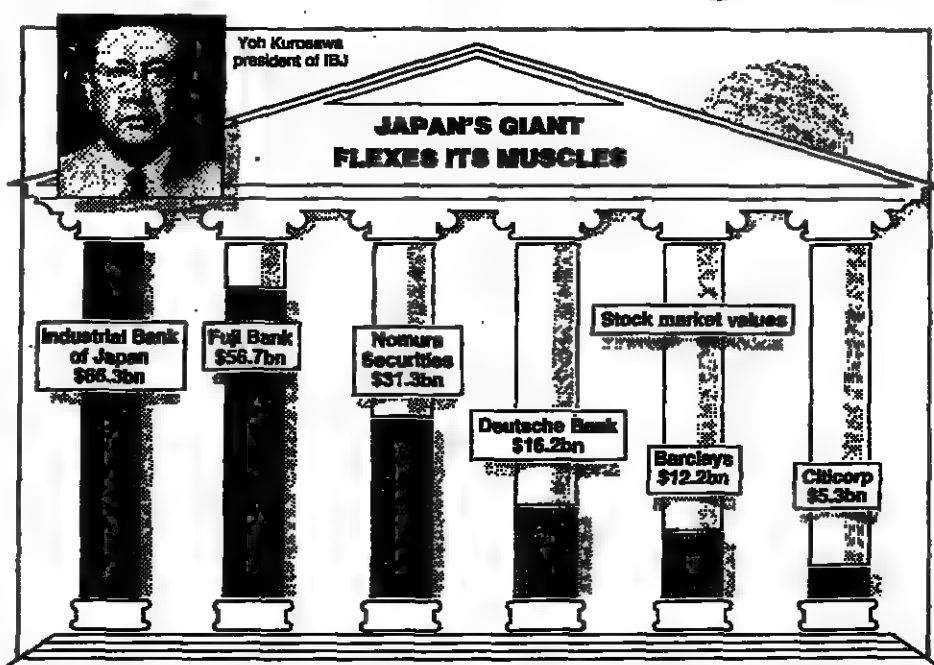
Yoh Kurosawa, the bank's president, is arguably the world's most powerful banker. As Japan's 6 ft 1 in 14-stone inter-company opera-singing champion, Mr Kurosawa cuts a rare dash among the crowds of blue-suited bankers. Under his leadership, the bank is expected to pull ahead of Japan's other leading financial groups after 1993, when the nation's "compartmentalised" financial markets start to undergo deregulation.

The comprehensive revision of Article 65, Japan's equivalent to America's Glass-Steagall Act, which separates domestic banking and securities businesses, is expected in two years' time. It will probably allow long-term credit banks, of which IBJ is one, entry to the domestic securities business.

The financial system research council, studying deregulation at the finance ministry, is said to favour offering IBJ and the nation's two other long-term banks the first chance to underwrite bond issues, and eventually the opportunity to trade in equities. In return, long-term banks will be expected to relinquish to other sectors of the banking market their monopoly on long-term debentures. Securities houses will also be allowed to begin foreign exchange business.

Mr Kurosawa said: "Until 1948, when Article 65 was introduced, IBJ had an 80 per cent share of Japan's underwriting business. We intend to get the business back."

The bank's close relations with four leading securities companies will help IBJ achieve that aim. Former employees of the bank have reappeared as the president of



New Japan Securities, the chairman and president of Wako Securities, a managing director at Okasan Securities and the vice president of Toyo Securities. IBJ controls almost 5 per cent of the equity, the maximum allowed, in each brokerage house.

The bank has also been operating in the bond underwriting business overseas. IBJ International, the bank's London arm has, in the past four years, been consistently ranked in the top ten in *Euromoney Magazine's* euro-

tough negotiator with corporate debtors and has stirred controversy in the banking community by recommending that loans to Third World countries should be written off. He has an uncompromising devotion to his bank and can be found working or entertaining clients until midnight every weekday night.

The bank can count on an unrivalled array of corporate clients for its future underwriting customers, covering all sectors of Japanese industry.

'We will switch our underwriting technology from London, Zurich and Frankfurt back to Japan'

bond underwriting league tables, despite the regulatory handicap preventing Japanese banks from acting as chief underwriters for Japanese corporate borrowers.

Mr Kurosawa said: "When 1993 comes, we will revive our tradition and switch our underwriting technology from London, Zurich and Frankfurt back to Japan."

The Tokyo University law graduate has built himself a reputation as Japan's most outstanding international banker. He is known as a

With board representation on almost all of Japan's top 200 listed companies and about 8,000 corporate clients, Mr Kurosawa's claim that "there are not many Japanese companies that are not our customers," is no mere boast. Financial analysts credit the apparent preferential treatment that long-term banks are receiving from the finance ministry to IBJ's lobbying power and special relationships with key sections of Tokyo's bureaucracy. Yet when Mr Kurosawa

took over as president almost a year ago, Japanese banks were facing their biggest challenge since the Seventies. The fall in the value of Japanese equities had eroded their capital base and made the raising of new funds difficult.

Bank for International Settlements capital adequacy standards became a major concern, while the capital crunch and 20 months of high interest rates had squeezed lending margins.

The average profits of Japanese banks for the last fiscal year are expected to have shrunk by between 20 and 30 per cent.

Mr Kurosawa said: "We are suffering, but so are all Japanese banks. I don't expect a cut in interest rates until June or later. All we can do is wait and in the meantime restructure our financing from short-term rates to cheaper long-term rates."

While the short-term outlook for Japanese banks may be grim, IBJ has a post-deregulation future to look forward to. Even the mighty Nomura Securities, the world's largest securities house is said to be worried. Mr Kurosawa said: "The big four - Nomura, Daiwa, Nikko and Yamaichi - are afraid of the prospect of universal banks like IBJ."

JOANNA PITMAN
Tokyo

Scepticism over MGN float

MIRROR Group Newspapers, with its high profile and loyal customers, has a strong chance of being a popular success as well as attracting American fans of Robert Maxwell, the chairman, whose private interests have just bought New York's ailing *Daily News*. In the City, longer-term investors in the shares would generally be seen as a triumph of hope over experience.

MGN has a solid business and offers good value in today's markets. The shares yield 7 per cent in dividend at the 125p flotation price, well up on the market average, though less than on the wider spread, but has obviously successful United Newspapers. MGN also sells at only 10 times pro forma 1990 earnings per share.

This year, newspapers and their advertising have suffered with the British economy. Mr Maxwell, who will remain the controlling shareholder, none the less reports profits ahead so far as higher prices and a rise in advertising revenue offset lower circulations.

Despite a likely poor performance from the North American associates tagged on to the British newspaper group, Lindsay Russell of Nomura is prepared to brave a forecast that pre-tax profits will rise from £53 million to £66 million this year, which would bring earnings up from a pro forma 12.5p to nearly 15p per share.

The Maxwell connection is, however, likely to condemn the shares to remain as an income stock. Scepticism stems from the stagnant earnings of Maxwell Communications Corporation, the larger quoted vehicle, as well as the tendency of quoted Maxwell offshoots to change shape



Still in control: Robert Maxwell, of Mirror Group

alarmingly and do deals with each other or with the family's private interests.

Lack of City enthusiasm has ensured a modest sale price, which could earn a decent premium if public and American interest was as healthy as suggested.

Jefferson Smurfit

IN ITS recent past, Jefferson Smurfit, the Irish packaging group, has demonstrated an appetite for such demodé items as debt finance, junk bonds and Brent Walker.

Despite these ill-advised historical dalliances, however, the Dublin company appears to be in good shape.

Smurfit's latest figures are a tribute to 1989's \$1 billion refinancing of its American interests, which are now largely held in a 50-50 off balance sheet joint venture company.

Completed with the help and equity of Morgan Stanley, this refinancing is apparently secure in the medium term, ensuring that there is no question of the joint venture's \$2.6 billion of debt reverting to Smurfit.

Despite the company's ongoing fondness for acquisitions, the proceeds from this disposal mean the group finished the year with on balance sheet net cash of £2306 million (£276.67 million),

which, at this difficult stage of the paper cycle, looks just about ideal.

The interest earned on these deposits is the main reason the company managed a 2 per cent increase in earnings per share to 52p (51p), despite a 29 per cent fall in pre-tax profits to £173 million in the year to end-January.

The final dividend is increased to 3.48p (3.23p) to give a total of 5.053p (4.7p), up 7.5 per cent.

Smurfit's earnings per share cannot defy gravity for ever. Pre-tax profits could fall towards £155 million this year, putting the shares at 553p on an adjusted price/earnings multiple of 12.8. High enough for now.

ASH

CONVERTIBLE capital bonds are curious beasts, but the market had no problem soaking up £60 million of them from Automated Security (Holdings) last month.

Now the offer document is hitting shareholders' door-mats. ASH has always puzzled cash to feed its ever-expanding security network, but analysts were a little surprised to learn that borrowings have grown from £105 million at the November year-end to £131 million. This would leave gearing at 106 per cent, but the bonds issue cuts it to just 39 per cent, while interest cover is a tolerable four times.

The coupon is 9.5 per cent, against a prospective yield of just 3.2 per cent for the ordinary shares and the conversion price, exercisable from July until 2006, is 250p against last night's 223p close. The issue is, therefore, cheaply priced and offers attractions for income investors, who should consider selling their ordinary shares to take up their rights.

Sabena's search for partner hindered

THE European Commission has placed an obstacle in the path of Sabena, the Belgian airline, linking with British Airways or Air France, by opening an enquiry into a government aid package.

The commission said yesterday that the Belgian government had been asked to clarify the terms of its plan to invest £586 million in the struggling company. Part of the proposed package depends on Sabena finding a partner among other European airlines. Sabena is now in talks with British Airways and Air France. The enquiry is expected to last about six weeks.

The commission's anxieties focus more on possible future aid. Community competition rules allow state aid for one-time rescue plans but would almost certainly bar further aid.

The enquiry is being led by Karl van Miert, the EC transport commissioner.

Belgium intends to write off Sabena's debts of 16.2 billion Belgian francs (£266.4 million) and plough another Fr19 billion of fresh money into the company. Half the new capital would come when it found an ally.

A previous attempt by Sabena to link with British Airways and KLM Royal Dutch Airlines floundered after EC opposition.

Any partnership deal would ultimately be vetted by Sir Leon Brittan, the EC competition commissioner.

Commission experts said at least some of the subsidies were likely to win approval.

GEORGE BROCK
in BRUSSELS

THE TIMES CITY DIARY

Striking a blow for the heart

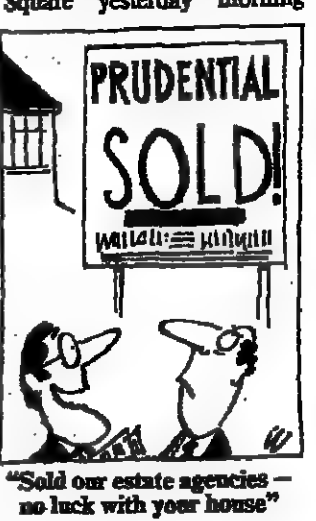
ONE of the few people who will not be dismayed if London's threatened tube strike takes place tomorrow is Sir Francis Dashwood, premier baronet of Great Britain and member of the West Wycombe family. A team from the Lloyd's members' agent Octavian Underwriting, of which Sir Francis is chairman, has decided to run to work to raise money for the British Heart Foundation. Paul Sandilands, the managing director, will be running from Euston, while colleagues such as Anthony Jacques and Rupert Boyle will set out from Waterloo and St Pancras respectively. Sir Francis will monitor events from his Chelsea home, but has promised to give generously to the cause.

PART of Tootal's latest defence document against Coats' *Yivella's bid* includes an analysis of Coats' Brazilian interests. Below the profit and

loss account, a note states: "The 1990 results are stated in cruzeros, the 1989 results in new cruzeros and the 1987 and 1988 results in cruzeiros. One cruzeiro and one new cruzado are equivalent to 1,000 cruzeiros."

Off the buses

CITY stickers were left clutched in their umbrellas in Sloane Square yesterday morning



after Earhline, the commuter shuttle service, failed to show up. The air-conditioned Mercedes-Benz minibuses, stocked with telephones and fax machines, were due to make their inaugural run to the Square Mile yesterday. The backers have, however, fallen foul of traffic authorities, who say they do not have the correct licence. Giovanni Imperiali, the former Pru-Bache futures dealer who set up the service with Gregory Lee, a former marketing executive at Olivetti, hopes to have the buses on the road soon - with hostesses from a top modelling agency thrown in.

Team spirit

ONE has to hand it to the retail team at Credit Lyonnais Laing. Their latest circular has two photographs on its cover - one of a dustman, the other of two pensioners in a supermarket. They bear the captions: "I used to be a successful jeweller until I discovered..." - flip to the two pensioners - "...that

our memories last longer than a Marks' prawn sandwich". Clearly enjoying themselves, Neil Currie, Rodney Forrest and Tony Shiret have produced a list of football teams and likely sponsors. For Everton, there is Marks and Spencer - "Staff shake-out necessary, but remains a quality player."

Thought for food

LAST week, four Hill Samuel investment companies were fined £100,000 by the Investment Management Regulatory Organisation for 13 rule breaches. This week, the firm has called on staff to hand in cash and luncheon vouchers. Is there a connection? Happily not. It seems that Hill Samuel is simply taking the Princess Royal at her word and asking staff to give up a meal to raise money for the Save the Children Fund. Staff at the Croydon office will be asked to chip in and it is hoped £1,000 will be raised.

JON ASHWORTH

Downturn in profits predicted at Hoesch

By Wolfgang Münch, European Business Correspondent

HOESCH, the German steel and industrial products group, expects a further decline in profits this year, according to a company statement. The predicted downturn comes on top of lower operating profits of DM440 million (DM517 million) in 1990.

The disappointing results mark the end of a spectacular turnaround of the once-sailing Dortmund group which, in the early Eighties, was restructured under the leadership of Detlev Rohwedder, the former chairman of the Treuhand privatisation agency who was assassinated last month.

Once again, it is the steel sector which turns out to be responsible for the company's problems, even though steel contributed barely one quarter to the company's turnover of DM16.1 billion last year.

Hero Brahma, the finance director, told a news conference in Dortmund yesterday that sales were down between 5 and 10 per cent in the first quarter of this year as a result of a decline in the steel business. Earnings were also down.

The company, in line with a recent trend in Germany, has published a consolidated income statement to include its foreign interests. The 1990 results are therefore not com-



Neukirch on the move

Temporary levy would subsidise poorer companies

EBRD considers tax reform

By Colin Narborough, Economics Correspondent

A TEMPORARY tax on successful enterprises in eastern and central Europe to help the region's poorer performers is being considered by the European Bank for Reconstruction and Development.

The role of Jacques Attali, the bank president, is to foster market economies in the former Soviet bloc countries, but the EBRD is also looking at taxation reform, it emerged at an Institute of Fiscal Studies seminar in London last week.

The tax under consideration would be charged on value added by an enterprise to its products. Revenue raised by the temporary tax would be used as a tax subsidy to enterprises adding less than average value to their products.

When monetary union was achieved by the former East and West Germans, most of eastern Germany's industry became uncompetitive and caused shutdowns and soaring unemployment. The tax subsidy is foreseen as a way to avoid this happening in other countries. There is concern that too abrupt a switch to market disciplines, especially if it leads to mass unemployment and widening income differentials, could provoke social and political unrest.

Jan Klacsek of the Prague Institute of Economics, who addressed the IFS seminar, said that in Czechoslovakia, the most prudent of former Soviet bloc economies, the argument for a tighter fiscal policy was the danger of inflation. Retail price inflation in the first quarter this year was 55 per cent, having accelerated from 10 per cent last year. But he did not expect



Aiming to foster market economies: Jacques Attali, president of the EBRD

inflation to climb much more during this year. In the transition period, the government was unlikely to find sufficient resources to prevent a fiscal deficit. Mr Klacsek suggested that, far from being a problem, the deficit could be seen as an investment. Mark Pearson of the IFS cautioned eastern and central European governments against offering large tax incentives to inward investors, since they could thwart the emergence of indigenous enterprise.

BUSINESS LETTERS

Firm believer GEC continues to invest in gallium arsenide

From Mr T. J. Spurrer

Sir, I am surprised at the reaction of some of your correspondents to remarks made by the former Chief Executive of Plessey.

Whilst all directors are appointed by shareholders and account to them, a chief executive should be so committed to his company and have such pride in it that his decisions are made as if it were his company.

It is not surprising that this level of long term commitment brings him into conflict with the Fund Manager. To him the Fund Manager is a salaried employee with no direct financial stake in his company, involved only until his career moves him on, investing funds that are not his and with less direct accountability to his investors than any company director.

Yours faithfully,
T. J. SPURRER,
Brooke Gardens,
Brooke, Norfolk

From Mr John Brian

Sir, I refer to the article in *The Times* on 25 April 1991 by Ross Tienan "How the City Lost me my Company".

I do not wish to comment on the subject of takeovers but on the statement by Sir John Clark that work on Gallium Arsenide had been halted since the takeover of Plessey by GEC and that many researchers had left. Sir John is completely wrong and the record needs to be put right for the sake of the future of Gallium Arsenide in the UK.

GEC decided on taking over Plessey to concentrate all Gallium Arsenide work in one location namely GEC-Marconi Materials Technology Ltd at Caswell. Activities which were previously under-

taken at the Hirst Research Centre, Wembley, have been moved to Caswell and equipment from the old Plessey III-V Business at Twycross is also now at Caswell.

GEC have approved a 5 year plan to expand our research and development activities in Gallium Arsenide and to accelerate the development of a commercial business; this includes the move into a custom made building with eight specially equipped clean rooms and upgrade of all equipment to 3 inch wafer size. The number of staff engaged in Gallium Arsenide work at Caswell has almost doubled since the takeover.

The Gallium Arsenide expansion is supported by a number of GEC-Marconi companies including Marconi Radar, GEC-Ferranti, Matra Marconi Space, Marconi Defence Systems and Marconi Command and Control Systems who all see Gallium Arsenide as vital to their future activities.

GEC are investing heavily in the future and the Gallium Arsenide facility at Caswell will match the finest in Europe. Far from being condemned by Sir John Clark, GEC should be congratulated for their determination to invest in the future of British industry.

JOHN BRIAN,
Managing Director,
GEC-Marconi Materials Ltd,
Caswell, Twycross,
Northants.

City 'smug' over Plessey

From Mr John Nichols

Sir, Today's *Business Letters* (May 2) concerning Sir John Clark's opinions of the City illustrate the smug self-satisfaction of the City wheeler dealers. How on earth can Mr Ferrand suppose that fund managers could show loyalty to the company they have bought shares in, in any circumstances? The fact of the matter is that, unlike say a German Bank, they are investing, not their money, but investors' money. They, as opposed to their clients, risk nothing in this investment except their reputation as clever punters who can optimise the return on their fund. The interests of the target company as a production unit do not enter into

their considerations. The fate of Plessey is a fine example of British short-termism; not that I would expect the City to understand that any more for instance than they can understand that Management Buy-outs are the most blatant examples of insider dealing known to man. They have a capacity for self-deception that is hard to match outside a nursery, as recent Crown Prosecutions have illustrated.

How refreshing it was to read Mr Messenger's account of how things looked from the trenches; not that his tale of woe will mean anything to people who 'do not know one end of a shop floor from another'. But the message is quite clear, that if you value your company you should seek sources of finance outside the Stock Market, a course of action taken by several companies in recent years.

Yours faithfully,
JOHN NICHOLS,
Olsen Financial Consultants,
Holton St Peter,
Halesworth, Suffolk.

Share incentives

From Mr Charles St John

Sir, It has been suggested to your readers (April 29) that recent data on the returns made by managers and their financial backers who bought their companies from the Government, might suggest that such companies were sold off too cheaply by the Government.

Such data could also be interpreted as demonstrating how the incentivisation of employees through share ownership, in situations where ability, ambition and the will to change have historically been stifled, can greatly enhance the performance and value of a company.

Yours faithfully,
CHARLES ST JOHN,
Ballantyne Street, SW18.

Who should pay?

From Miss Meriel Biggs

Sir, When a leading blue-chip company suffers a dramatic reduction in profits, don't you think that it should be those with major responsibility for the policies and products of that company who should first be culled - and not just those who have been told what to do?

Yours faithfully,
MISS MERIEL BIGGS,
Elgin Road, Weybridge.

Playing the numbers game with BT

From Mr Alan Shrank

Sir, Visiting London recently, I was seeking a particular shop in the Edgware Road, a road about six miles long, and not knowing the street number I rang British Telecom Directory Enquiries - from a callbox, naturally - to obtain the telephone number.

I then rang the shop, only to hear an answerphone telling me the shop was open that day but without giving the address.

So I rang BT again, asking for the number of the shop in the Edgware Road, pointing out that it was a shop and that ringing their phone number was of no help because of an answerphone, only to be told that they did not give addresses over the phone. I said

the address was not a secret since the phone number was not ex-directory and if I had the correct telephone directory I could find the number, but to no avail.

I then asked where I could find the relevant local telephone directory. The Post Office no longer keeps them. I was told to consult a library, but then I was refused the address of the local library!

The Directory Enquiries is a joke. Thank goodness I did not have to pay for the limited and useless information BT gave me. I found the shop eventually, but with no thanks to BT!

Yours faithfully,
ALAN B. SHRANK,
20 Crescent Place,
Town Walls, Shrewsbury.

THE TIMES

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BAVER ANTIKINGSGESCHICHT

The Annual General Meeting of Bayer Antikingsgesellschaft will be held on 19th June, 1991 in Cologne. Payment of a dividend of 20% for the year 1990 will be proposed.

Copies of the Company's Annual Report for 1990 in English will be available from:

Hambrecht & Son Ltd,
181 St James's Park, London,
S.G. Waring & Co. Ltd.

United Kingdom Shareholders who wish to attend and vote at the Annual General Meeting should by 7th June, 1991 inform S.G. Waring & Co. Ltd, Paying Agency, 2 Princes Avenue, London EC2M 2PA who will make the necessary arrangements on their behalf.

Under Section 125 of the German Companies Act, the Board of Management is only obliged to provide information on proposals and resolutions that may be made by shareholders if the parties concerned prove their standing as shareholders in good time.

BAVER ANTIKINGSGESCHICHT
6th May, 1991

LONDON TRADED OPTIONS

Call										Put									
Symbol	Jan	Oct	Jul	Apr	Jan	Oct	Jul	Apr	Jan	Symbol	Jan	Oct	Jul	Apr	Jan	Oct	Jul	Apr	Jan
ABX 1991	500	75	93	102	72	88	9	16	23	ABX 2001	220	30	35	41	116	116	56	7	16
ABX 1992	500	75	93	102	72	88	9	16	23	ABX 2002	220	30	35	41	116	116	56	7	16
ABX 1993	500	75	93	102	72	88	9	16	23	ABX 2003	220	30	35	41	116	116	56	7	16
ABX 1994	500	75	93	102	72	88	9	16	23	ABX 2004	220	30	35	41	116	116	56	7	16
ABX 1995	500	75	93	102	72	88	9	16	23	ABX 2005	220	30	35	41	116	116	56	7	16
ABX 1996	500	75	93	102	72	88	9	16	23	ABX 2006	220	30	35	41	116	116	56	7	16
ABX 1997	500	75	93	102	72	88	9	16	23	ABX 2007	220	30	35	41	116	116	56	7	16
ABX 1998	500	75	93	102	72	88	9	16	23	ABX 2008	220	30	35	41	116	116	56	7	16
ABX 1999	500	75	93	102	72	88	9	16	23	ABX 2009	220	30	35	41	116	116	56	7	16
ABX 2000	500	75	93	102	72	88	9	16	23	ABX 2010	220	30	35	41	116	116	56	7	16
ABX 2001	500	75	93	102	72	88	9	16	23	ABX 2011	220	30	35	41	116	116	56	7	16
ABX 2002	500	75	93	102	72	88	9	16	23	ABX 2012	220	30	35	41	116	116	56	7	16
ABX 2003	500	75	93	102	72	88	9	16	23	ABX 2013	220	30	35	41	116	116	56	7	16
ABX 2004	500	75	93	102	72	88	9	16	23	ABX 2014	220	30	35	41	116	116	56	7	16
ABX 2005	500	75	93	102	72	88	9	16	23	ABX 2015	220	30	35	41	116	116	56	7	16
ABX 2006	500	75	93	102	72	88	9	16	23	ABX 2016	220	30	35	41	116	116	56	7	16
ABX 2007	500	75	93	102	72	88	9	16	23	ABX 2017	220	30	35	41	116	116	56	7	16
ABX 2008	500	75	93	102	72	88	9	16	23	ABX 2018	220	30	35	41	116	116	56	7	16
ABX 2009	500	75	93	102	72	88	9	16	23	ABX 2019	220	30	35	41	116	116	56	7	16
ABX 2010	500	75	93	102	72	88	9	16	23	ABX 2020	220	30	35	41	116	116	56	7	16
ABX 2011	500	75	93	102	72	88	9	16	23	ABX 2021	220	30	35	41	116	116	56	7	16
ABX 2012	500	75	93	102	72	88	9	16	23	ABX 2022	220	30	35	41	116	116	56	7	16
ABX 2013	500	75	93	102	72	88	9	16	23	ABX 2023	220	30	35	41	116	116	56	7	16
ABX 2014	500	75	93	102	72	88	9	16	23	ABX 2024	220	30	35	41	116	116	56	7	16
ABX 2015	500	75	93	102	72	88	9	16	23	ABX 2025	220	30	35	41	116	116	56	7	16
ABX 2016	500	75	93	102	72	88	9	16	23	ABX 2026	220	30	35	41	116	116	56	7	16
ABX 2017	500	75	93	102	72	88	9	16	23	ABX 2027	220	30	35	41	116	116	56	7	16
ABX 2018	500	75	93	102	72	88	9	16	23	ABX 2028	220	30	35	41	116	116	56	7	16
ABX 2019	500	75	93	102	72	88	9	16	23	ABX 2029	220	30	35	41	116	116	56	7	16
ABX 2020	500	75	93	102	72	88	9	16	23	ABX 2030	220	30	35	41	116	116	56	7	16
ABX 2021	500	75	93	102	72	88	9	16	23	ABX 2031	220	30	35	41	116	116	56	7	16
ABX 2022	500	75	93	102	72	88	9	16	23	ABX 2032	220	30	35	41	116	116	56	7	16
ABX 2023	500	75	93	102	72	88	9	16	23	ABX 2033	220	30	35	41	116	116	56	7	16
ABX 2024	500	75	93	102	72	88	9	16	23	ABX 2034	220	30	35	41	116	116	56	7	16
ABX 2025	500	75	93	102	72	88	9	16	23	ABX 2035	220	30	35	41	116	116	56	7	16
ABX 2026	500	75	93	102	72	88	9	16	23	ABX 2036	220	30	35	41	116	116	56	7	16
ABX 2027	500	75	93	102	72	88	9	16	23	ABX 2037	220	30	35	41	116	116	56	7	16
ABX 2028	500	75	93	102	72	88	9	16	23	ABX 2038	220	30	35	41	116	116	56	7	16
ABX 2029	500	75	93	102	72	88	9	16	23	ABX 2039	220	30	35	41	116	116	56	7	16
ABX 2030	500	75	93	102	72	88	9	16	23	ABX 2040	220	30	35	41	116	116	56	7	16
ABX 2031	500	75	93	102	72	88	9	16	23	ABX 2041	220	30	35	41	116	116	56	7	16
ABX 2032	500	75	93	102	72	88	9	16	23	ABX 2042	220	30	35	41	116	116	56	7	16
ABX 2033	500	75	93	102	72	88	9	16	23	ABX 2043	220	30	35	41	116	116	56	7	16
ABX 2034	500	75	93	102	72	88	9	16	23	ABX 2044	220	30	35	41	116	116	56	7	16
ABX 2035	500	75	93	102	72	88	9	16	23	ABX 2045	220	30	35	41	116	116	56	7	16
ABX 2036	500	75	93	102	72	88	9	16	23	ABX 2046	220	30	35	41	116	116	56	7	16
ABX 2037	500	75	93	102	72	88	9	16	23	ABX 2047	220	30	35	41	116	116	56	7	16
ABX 2038	500	75	93	102	72	88	9	16	23	ABX 2048	220	30	35	41	116	116	56	7	16
ABX 2039	500	75	93	102	72	88	9	16	23	ABX 2049	220	30	35	41	116	116	56	7	16
ABX 2040	500	75	93	102	72	88	9	16	23	ABX 2050	220	30	35	41	116	116	56	7	16
ABX 2041	500	75	93	102	72	88	9	16	23	ABX 2051	220	30	35	41	116	116	56	7	16
ABX 2042	500	75	93	102	72	88	9	16	23	ABX 2052	220	30	35	41	116	116	56	7	16
ABX 2043	500	75	93	102	72	88	9	16	23	ABX 2053	220	30	35	41	116	116	56	7	16
ABX 2044	500	75	93	102	72	88	9	16	23	ABX 2054	220	30	35	41	116	116	56	7	16
ABX 2045	500	75	93	102	72	88	9	16	23	ABX 2055	220	30	35	41	116	116	56	7	16
ABX 2046	500	75	93	102	72	88	9	16	23	ABX 2056	220	30	35	41	116	116	56	7	16
ABX 2047	500	75	93	102	72	88	9	16	23	ABX 2057	220	30	35	41	116	116	56	7	16
ABX 2048	500	75	93	102	72	88	9	16	23	ABX 2058	220	30	35	41	116	116	56	7	16
ABX 2049	500	75	93	102	72	88	9	16	23	ABX 2059	220	30	35	41	116	116	56	7	16
ABX 2050	500	75	93	102	72	88	9	16	23	ABX 2060	220	30	35	41	116	116	56	7	16
ABX 2051	500	75	93	102	72	88	9	16	23	ABX 2061	220	30	35	41	116	116	56	7	16
ABX 2052	500	75	93	102	72	88	9	16	23	ABX 2062	220	30	35	41	116	116	56	7	16
ABX 2053	500	75	93	102	72	88	9	16	23	ABX 2063	220	30	35	41	116	116	56	7	16
ABX 2054	500	75	93	102	72	88	9	16	23	ABX 2064	220	30	35	41	116	116	56	7	16
ABX 2055	500	75	93	102	72	88	9	16	23	ABX 2065	220	30	35	41	116	116	56	7	16
ABX 2056	500	75	93	102	72	88	9	16	23	ABX 2066	220	30	35	41	116	116	56	7	16
ABX 2057	500	75	93	102	72	88	9	16	23	ABX 2067	220	30	35	41	116	116	56	7	16
ABX 2058	500	75	93	102	72	88	9	16	23	ABX 2068	220	30	35	41	116	116	56	7	16
ABX 2059	500	75	93	102	72	88	9	16	23	ABX 2069	220	30	35	41	116	116	56	7	16
ABX 2060	500	75	93	102	72	88	9	16	23	ABX 2070	220	30	35	41	116	116	56	7	16
ABX 2061	500	75	93	102	72	88	9	16	23	ABX 2071	220	30	35	41	116	116	56	7	16
ABX 2062	500	75	93	102	72	88	9	16	23	ABX 2072	220	30	35	41	116	116	56	7	16
ABX 2063	500	75	93	102	72	88	9	16	23	ABX 2073	220	30	35	41	116	116	56	7	16
ABX 2064	500	75	93	102	72	88	9	16	23	ABX 2074	220	30	35	41	116	116	56	7	16
ABX 2065	500	75	93	102	72	88	9	16	23	ABX 2075	220	30	35	41	116	116	56	7	16
ABX 2066	500	75	93	102	72	88	9	16	23	ABX 2076	220	30	35	41	116	116	56	7	16
ABX 2067	500	75	93	102	72	88	9	16	23	ABX 2077	220	30	35	41	116	116	56	7	16
ABX 2068	500	75	93	102	72	88	9	16	23	ABX 2078	220	30	35	41	116	116	56	7	

[illegible]

MONEY MARKETS

[illegible][illegible]

Argentina <i>musica</i>	16671-2-16682-3	Ireland	15540-1-55
<i>Argento</i>	0-1000-0-0000	<i>Irish</i>	0-0000-0-00

Aluminium dollar	1,583.02	Singapore	7,630.76
Bahian dollar	1,000.00	Spain	166.20
Brazil cruzeiro	400.00/144.28	Australia	1,200.00/38
Cyprus pound	0.80/0.016	Canada	1,100.00/18
Danish krone	4.66/0.2275	France	1,575.00/16
Greece drachma	321.90/325.10	Norway	1,010.00/18
Hong Kong dollar	13,708.72/325.10	Denmark	6,570.00/48
India rupee	54.72/35.15	Switzerland	1,500.00/145
Kuwait dirham KD	n/a	Netherlands	1,942.00/194
Malaysia ringgit	4,718.47/3,734	Sweden	1,000.00/6.26
Mexico peso	300/0.15	France	193.10/138
New Zealand dollar	2.9/0.25	Italy	1,275.00/1,275
Saudi Arabia riyal	0.8075/0.0475	Belgium (C)	33.47/35
Singapore dollar	3,535.00/3,044	China	7,700.00/7,700
S.Africa rand	1,000.00/714	Hong Kong	146.25/148
S.Africa rand (cont)	4,768.00/4,390	Spain	106.20/106
U.A.E. dirham	0.25/0.436		

ECGD: Fixed Rate Starting Export Finance. Mimeo410, Jan. 30, 1991. Accessed on 12/10/91.

May 26, 1991 to Jun 25, 1991 Scheme I: 13.07%. Schemes II & III: 13.32%. Reference rate Mar 29, 1991 to Apr 30, 1991 Scheme IV & V: 12.024%.

LONDON FINANCIAL FUTURES						
	Period	Open	High	Low	Close	Volume
FT-100	Jun 91	2940.6	2950.0	2938.0	2942.5	5
Previous open interest: 59716	Dec 91				2950.5	
	Dec 91				2950.5	
Three Month Sterling	Jun 91	98.80	98.85	98.80	98.85	70
Previous open interest: 13381	Dec 91		98.80		98.85	25
	Dec 91		98.72		98.77	
Three Month Eurodollar	Jun 91	98.80	99.01	98.80	98.90	50
Previous open interest: 5520	Dec 91		98.99		98.99	25
Three Month Euro Cdn	Jun 91	98.82	98.87	98.82	98.87	25
Previous open interest: 114287	Dec 91		98.87	98.84	98.87	25
UK Treasury Bond	Jun 91	98.08	98.18	98.08	98.08	40
Previous open interest: 5588	Dec 91		98.08		98.08	40
Long Gilt	Jun 91	98-16	98-16	98-16	98-16	87
Previous open interest: 5588	Dec 91		98-16		98-16	87

	Oct 91	Nov 91	Dec 91	Jan 92	Feb 92
Japanese Govt Bond	Jan 91	Jan 91	Jan 91	Jan 91	Jan 91
	95.75	95.75	95.75	95.75	95.75

German Govt Bond	Jun 91	85.58	85.58	85.38	85.42	300
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Previous open interest: 77438	Sep 91	—	85.75	85.75	85.80	85.85	12
Three month ECU	Jun 91	—	90.82	90.85	90.92	90.99	1
Previous open interest: 2579	Sep 91	—	90.85	90.95	90.94	90.97	

COMMODITIES

ON FOX | LONDON ON

WHEAT		SUGAR (FUD)		LARDON OF	
52E		C Casmolm		A quiet mark	
545-543				even so, gra	
572-570	Aug	167.4-57.0			
594-593	Oct	168.0-57.8			
618-615	Dec	169.6-57.6			
633-632	Mar	169.6-58.2			
658-652	May	173.0-72.2			
Vol 1080	Aug	178.0-75.2			
		Vol 839			
WHEAT FUTURES		HI-PRO SOYA		Spot	
WHEAT		Close (2/7)		Premium Gra	
112/110	Aug	126.5-26.0		Garroll EEC	
107/95	Oct	135.5-28.0		Not EEC	
111/40	Oct	139.0-32.5		Not EEC	
				3.5 Fuel Oil	

114.55	Dec.	1986	36.8	1986	36.8	1986	36.8
117.20	Feb.	1987	36.8	1987	36.8	1987	36.8

W VCE

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CRUDE OILS (\$/barrel FOB)		
Light (Jan)	19.05	+0.25
Light (Jul)	19.00	+0.25
Intermediate (Jan)	19.05	+0.25
Intermediate (Jul)	21.00	+0.25
Heavy (Jan)	21.40	+0.25
Heavy (Jul)	21.40	+0.25

PRODUCTS (Buy/sell \$/MT)		
C&F NW Europe (gross delivery)		
Gas oil	185 (+3)	180 (+3)
Gas oil	182 (+3)	184 (+3)
Gas oil	178 (+3)	181 (+3)

212 (-2) 215 (-)

**PIPE FUTURES
GAS ON**

1967.75-95.50	Sep	170.00	SI
170.00-78.75	Oct	190.00-80.00	SI
174.50-74.00	Nov	183.00-82.00	SI
170.00-75.50		Vol 51	
GRANT			
19.00-19.90	Jul	118.50-118.50	Vol 1
19.95-19.95			
INPEX			
Freight Futures Dry Cargo (100/yd)			
High: 1900	Low: 1385	Close: 1610	
1490	1490	1490	
1290	1276	1276	
1395	1380	1380	
18 lots Open Interest: 2185			
Dry cargo index 1612-1-3			
7.00/Week			
Vol 65510			
5.00	40676	Bid	Offer
4.00	208275	May	143.50 148.50
3.00	9506	Jun	144.70 145.50
2.00	39100	Jul	144.00 145.00
1.00	17132		
FOX BRIGHT INDEX			
(Spine prices)			

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● Ex dividend a Ex all b Forecast dividend c Interim payment passed f Price at suspension g Dividend and yield exclude s special payment k Pre-merger figures n Forecast earnings o Ex other r Ex rights s Ex scrip or share split t Tax-free ... No significant data.

Top secret scramble for Channel 3

In a week, all bidders for the ITV licences must declare themselves. Melinda Wittstock looks at the likely contenders

Next Wednesday, commercial television executives and all those who wish to displace them will arrive at the Knightsbridge, London, offices of the Independent Television Commission (ITC), ready to submit their applications for the 16 new ten year Channel 3 licences.

Prepared in utmost secrecy, the 200-300 page bid documents, and even the targets of some bidders, will be revealed after the close of the Stock Exchange next Wednesday afternoon. The size of the make-or-buy cash bids, on which the outcome ultimately rests, will remain secret until October, when the ITC reveals the winners.

Franchise teams, meanwhile, are putting the finishing touches to programme plans, calculating the price they are willing to gamble in the blind bidding procedure. Many bidders are likely to delay making a final decision on which region or regions to target until the last minute.

Yet for all the activity, intrigue and security, what was supposed to be the biggest, most significant and most hotly contested ITV franchise round ever has been surprisingly anticlimactic.

Far fewer companies or consortiums are bidding than expected. There is no sign of a continental invasion; nor is there evidence of bids being put together by big British companies outside the television industry. While some bidders could wait until next Wednesday to reveal themselves, the gossipy nature of the industry makes such total secrecy improbable.

Those who predicted bids from as many as 70 newcomers now believe the ITC will be lucky if it receives more than seven of substance. Other potential contenders have been deterred by the advertising recession, uncertainty about satellite television's inroads into ITV's advertising monopoly, costly programme obligations and charges of up to £2 million to participate in the bidding process.

Not many more than 30 bids are expected. As many as half of these are likely to be from companies bidding for more than one licence. The few contenders with enough money, talent, experienced executives and regional clout to get past the "quality threshold" are bidding for at least two licences and, in some cases, three.

Michael Green's Carlton Communications, whose 51 per cent owned Zenith makes *Inspector Morse*, is seen as one of the most serious outside contenders. As well as being part of the Daybreak TV consortium bidding for the

ITN, the Daily Telegraph, the American network NBC, and Taylor Woodrow.

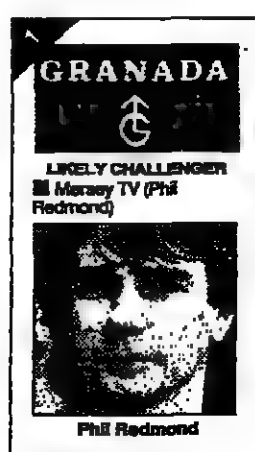
Virgin, which has linked up with David Frost, Charterhouse Bank and John Gao, the independent producer and former BBC and BSB executive, to form CPV-TV, also has a reasonable chance, even though Mr Frost was not entirely successful after winning both LWT and TV-am their original franchises. Although CPV-TV's targets are not confirmed, it is likely to bid for TVS and Thames.

HITV, the franchise for Wales and the West, faces as many as four bids: in one corner, Associated Newspapers, publishers of *The Daily Mail*, United Artists and Tiffrin; in another, Fleetech, the oil-to-cable television group, HIT Communications and Agneda, the independent producer. Both may yet join together following on-off merger talks, leaving two other consortiums, WWTV, headed by Lord Richard, the former Labour broadcasting spokesman, and C3WW, backed by TSW, HITV's southwestern ITV neighbour, and Lord Morris of Castle Morris.

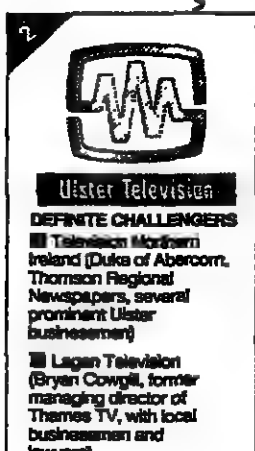
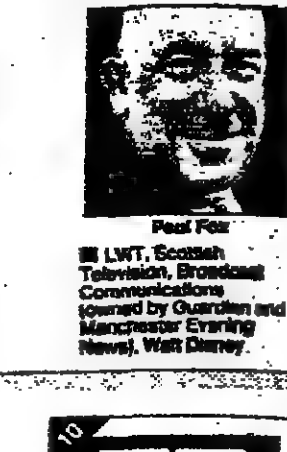
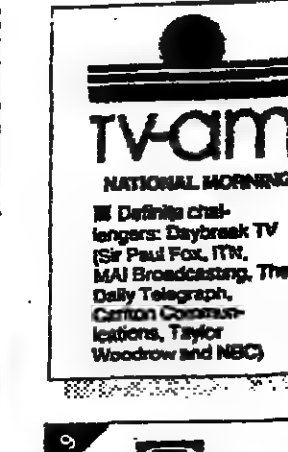
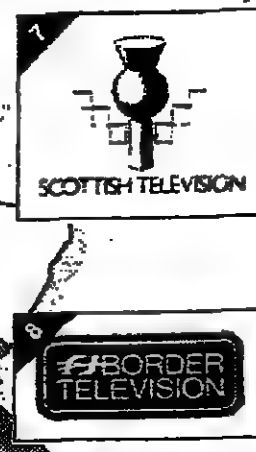
Ulster TV is also hotly contested, with the Duke of Abercorn and Thomson Regional Newspapers leading Television Northern Ireland's bid and Bryan Cowgill, the former managing director of Thames, leading Lagan Television's bid. Anglia Television, meanwhile, faces a bid from the Eastern TV Consortium (ETVC), composed of EMAP, the magazine group; CLT, the parent of Radio Luxembourg; Linda Agra, formerly of Euston Films and LWT; and David Cargill, the independent radio owner.

Three of the larger ITV companies — Granada, Yorkshire and Central — face opposition only from hastily organised groups, still attempting to raise finance.

Viking Television, a consortium put together to bid against Yorkshire TV by TVF, the independent producer which makes Channel 4's *The World This*



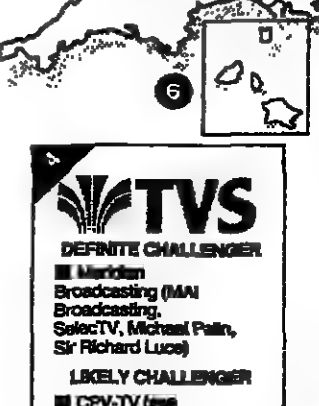
LIVELY CHALLENGER
Mersey TV (Phil Redmond)



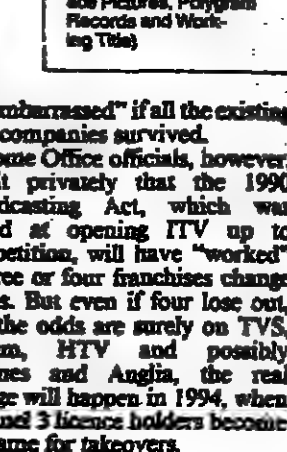
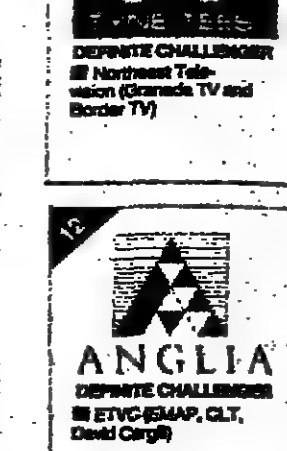
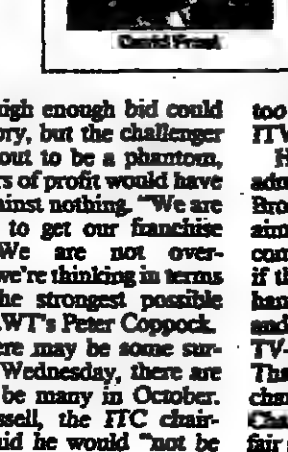
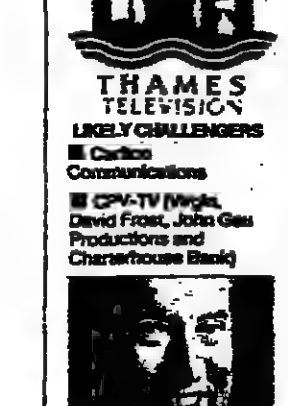
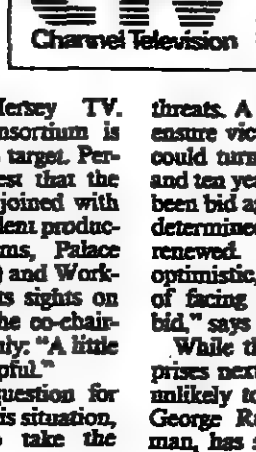
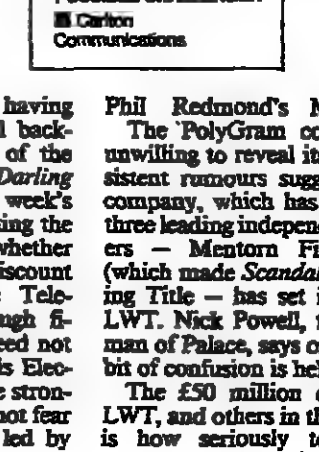
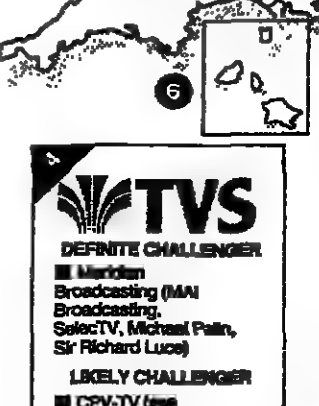
DEFINITE CHALLENGERS
Television Northern Ireland (Duke of Abercorn, Thomson Regional Newspapers, several prominent Ulster businessmen)
Lagan Television (Bryan Cowgill, former managing director of Thames TV, with local businessmen and lawyers)



DEFINITE CHALLENGERS
Associated Newspapers, United Artists and Tiffrin
Fleetech/HIT Communications, Agneda
NB: It is not yet clear whether the Associated and Fleetech consortiums have combined again
WWTV
C3WW (Lord Morris of Castle Morris, TSW)



DEFINITE CHALLENGER
Meridian Broadcasting (MAI Broadcasting, Select TV, Michael Palin, Sir Richard Luce)
LIKELY CHALLENGER
CPV-TV (see Thames)
POSSIBLE CHALLENGER
Carlton Communications



George Russell, the ITC chairman, would 'not be too embarrassed' if all the existing ITV companies survived

national breakfast licence now held by TV-am, Carlton is certain to bid against Thames for the London weekday licence, and is refusing to confirm or deny a bid for the Midlands franchise held by Central TV, in which it already holds a 20 per cent stake. There is a chance it may also bid against TVS Television in the south and southeast.

Meridian Broadcasting has also confirmed over the weekend its plans to go for TVS. The partnership between MAI, the advertising-to-money broking group, and SelectTV, the independent producer responsible for *Lovely, Auf Wiedersehen, Per and Birds of a Feather*, looks a likely winner, with a strong team comprising Lord Hellewell, Roger Laughton, the former BBC director of co-productions; Michael Palin, the actor and writer; Sir Richard Luce, the former arts minister; and Simon Albury, the former director of the Campaign for Quality Television. Meridian is also a member of the Daybreak consortium, together with Carlton,

Week, is understood to be having difficulty finding financial backers, particularly in view of the success of Yorkshire's *Darling Buds of May* and last week's Commons motion supporting the channel. It is also unclear whether Yorkshire's other rival, Viscount Lewisham's White Rose Television, has lined up enough finance or talent. Central need not worry about East Midlands Electricity. Granada, one of the strongest ITV companies, need not fear a clutch of independents led by

Phil Redmond's Mersey TV. The PolyGram consortium is unwilling to reveal its target. Persistent rumours suggest that the company, which has joined with three leading independent producers — Meridian Films, Palace (which made *Scandal*) and Working Title — has set its sights on LWT. Nick Powell, the co-chairman of Palace, says only: "A little bit of confusion is helpful."

The £50 million question for LWT, and others in this situation, is how seriously to take the

threats. A high enough bid could ensure victory, but the challenger could turn out to be a phantom, and ten years of profit would have been bid against nothing. "We are determined to get our franchise renewed. We are not over-optimistic, we're thinking in terms of facing the strongest possible bid," says LWT's Peter Coppock.

While there may be some surprises next Wednesday, there are unlikely to be many in October. George Russell, the ITC chairman, has said he would "not be

too embarrassed" if all the existing ITV companies survived. Home Office officials, however, admit privately that the 1990 Broadcasting Act, which was aimed at opening ITV up to competition, will have "worked" if three or four franchises change hands. But even if four lose out, the odds are surely on TVS, TV-am, HTV and Anglia, the real change will happen in 1994, when Channel 3 licence holders become fair game for takeovers.

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THE TIMES WEDNESDAY MAY 8 1991

Many VIPs risk missing Tokyo track special

FROM DAVID POWELL
ATHLETICS CORRESPONDENT
CAPE TOWN

A FAVOURITE slogan among the politicians who are working for South Africa's return to international sport is "the train is on the move". Next stop Cape Town. But the important passengers waiting here to greet the International Amateur Athletic Federation (IAAF) express when it pulls in today have not bought tickets and the delay could prevent South Africa's athletes from journeying on to Tokyo for the world championships this summer.

The heads of two of the three fragments that govern athletics in South Africa, both based in Cape Town, say they will not ride until all the carriages are standard class. One, the South African Amateur Athletics Board (SAAAB), insists there should be no readmission until a new government is in place. The

other, the South African Amateur Athletic Congress (SAAACON), wants to wait until black and Coloured athletes have had their promised new facilities and coaching for long enough to improve to a standard equal to the whites. However, when the train moves on to Johannesburg on Friday, home of the South African Amateur Athletic Union (SAAAU), the welcome banners will be out SAAAU, the oldest of the three, founded in 1894, argues that it represents nearly all the country's world-class athletes, that the sport is integrated, and that readmission now would create the wealth to develop facilities and coaching for those who have suffered from apartheid.

South Africa's participation in Tokyo depends on President F. W. de Klerk's removal of the apartheid laws next month, which is assumed, and the IAAF being satisfied that athletics here is represented by

one multi-racial governing body. Despite their differences of opinion, the three athletics bodies have formed the South African Athletics Forum which has applied for affiliation to the International Olympic Committee of South Africa (INOCOSA). The task of the IAAF delegation, the first to visit South Africa since the republic's expulsion in 1976, comprises the three black members of its council, who have to decide whether the three bodies have bonded sufficiently to warrant a return. And, if so, when.

Lamine Diack, the IAAF vice-president and a delegation leader, is said to favour South Africa's readmission. In 1976 Diack spoke in favour of expulsion. Should his commission leave the republic on Sunday convinced that South Africa is ready, the athletes would still face a further three months of uncertainty. First, the IAAF must be satisfied, and the African Amateur Athletic Confederation would have to

approve, then the IAAF council, then the IAAF congress at its meeting four days before the world championships begin on August 24.

"Unity to us has a different meaning than it does for the SAAAU people," Henry Cloete, the SAAACON president, said. "Our priority is that development must be in place," Cloete said. SAAAU says there are 36 synthetic tracks in the republic. "We have not got one in the black areas of the eastern Cape," Cloete said. "The development programmes must have a chance to bear fruit, then we can select teams on merit and go ahead. If the IAAF comes here with preconceived ideas, I cannot see them achieving anything."

Harry Hendricks, the SAAAB president, will also prove difficult to persuade. "We want South Africa back in world sport, but there are conditions," Hendricks said. "We feel that if we are going to

take part in sport there should be one democratic government."

While Danie Malan and Joe Stutzen, the two SAAAU chief negotiators, took extreme care in hour-long interviews with *The Times* not to say anything that might prejudice talks, Stutzen let slip a suggestion that unity with the IAAF may be more important than with SAAAB or SAAACON. "If we get reinstated I cannot see anyone stopping us going to Tokyo," Stutzen said. He also quoted the one about the train. "Either you get on or you stay behind," he said.

Malan is as competent a talker as he was an athlete. A former South African record holder for 1,500 metres, he has the bell for the last lap but is in no rush to hit the front. Instead, he is watching every move. "A unified, powerful, robust body is much more important than a quick return to Tokyo," Malan said. "The priority is development. The development committee will have to eliminate imbalances and make sure under-privileged people get the same opportunities. I would like to call this a five-year plan aimed at the Atlanta Olympics. This does not mean we will reject invitations (in the meantime)." Stutzen argues that the sooner they are back, the quicker sponsors will invest. Indeed, the IAAF finances permanent training camps in under privileged areas.

The magazine *SA Sports Illustrated* has made life uncomfortable for the pro-return campaigners. Its May issue features a story alleging that Marcel Winkler, the Coloured Springsbok sprinter, was denied the chance to train with team-mates at the Normal College of Pretoria because she is a non-white. Stutzen covered the embarrassment by saying: "Any track not open to everybody will be banned from holding any meeting under SAAAU auspices."

Winkler's coach, John Short, said: "Blacks are physically stronger than whites but you do not see blacks competing in the throwing events. You do not see them in the technical events. Why? Because they do not have access to top coaches, to facilities and to expertise."

Except for three notable exceptions, Bruce Fordyce, Frith van der Merwe and Elana Meyer, blacks rule the roost in road running. "Where they only require running shoes and a training schedule, they dominate," Short said.

Stutzen prefers to highlight the Transvaal district where, he says, 30 of the 110 club chairmen are black. With Sam Ramsamy, the INOCOSA chairman, on board the train and the African National Congress making no moves to block it, Cloete and Hendricks might soon find themselves in the left luggage office.



Fordyce: white exception

EQUESTRIANISM

Whitaker brothers add their quality to Windsor show

By JENNY MACARTHUR

JOHN Whitaker, who won his second successive show jumping World Cup in Sweden last month, will make a rare appearance at the Royal Windsor Horse Show, which starts today in Home Park, at the foot of Windsor Castle.

The show, which is in its 49th year, runs under the chairmanship of Geoffrey Cross, a joint founder of Royal Windsor, and is sponsored by the Beneficial Corporation, Harrods, John W Kluge and Toyota (GB) Limited.

During the next five days, more than 2,000 horses and ponies will compete in a unique range of classes from dressage and showing to driving and show jumping.

In recent years, Whitaker has missed Windsor in order to compete abroad.

This year, with no important clash in the fixture list and the incentive of the grand prix on Sunday being supported by his own sponsors, Henderson Unit Trust, Whitaker heads the impressive line-up of international show jumpers.

Others competing during the week include his younger

brother, Michael, David Broom, Nigel Coupe, Emma-Jane Brown, Liz Edgar, Marie Edgar and Janet Hunter.

Whitaker will ride the informal Henderson Grannusch, on which he relegated Michael, on Giffelsturner, to second place in the Nottinghamshire County Show last Saturday.

Michael is also riding the same horse this week, suggesting a tense contest for the two main events, the Gentleman's jumping championship — under floodlights on Friday evening — and the grand prix.

The Whitakers' main rival is likely, on recent form, to be Marie Edgar, the European young riders' champion. Edgar, aged 22, who will defend her national women's championship title at Windsor on Friday, will ride Everest Sure Thing, on which she won the grand prix three years ago and was runner-up to Malcolm Pyrah last year.

Ten nations are competing in the Harrods international driving grand prix for teams of horses whose marathon phase, in Windsor Great Park on Saturday, is one of the most

spectacular events of the show. The British favourite, George Bowman, who won all nine of his national events last year, is hoping to compensate for his mistake at Brighton last weekend, where he was eliminated for missing a flag.

His main rival is likely to be the Dutch driver, Ad Aarts, who is competing in his first international event since being stripped of his world title, following a positive dope testing made on one of his horses after the championships in Sweden last summer.

The Duke of Edinburgh, the new president of Royal Windsor, will start as favourite in the teams of ponies section of the Harrods grand prix after his impressive victory at Brighton.

As befits a show with such connections (the Queen has not missed the event since her accession), the highlight of this pageantry event is The Musical Ride of the Household Cavalry. The ride, which involves 25 horses — all black and Irish bred apart from the drumhorse and the greys of the trumpeters — takes place daily from tomorrow.

YACHTING

Koch corrects rivals on an amateur's proper place

FROM BARRY PICKTHALL IN SAN DIEGO

BILL Koch, the man dubbed "the Gentle Corsair" in America's Cup circles, scored a classic victory over his "hired gun" rivals by coming from behind on the last run to deprive New Zealand of their second victory in the third race of the world championship.

Koch, an American industrialist funding and driving the America's Cup syndicate, answered critics who say this is no place for an amateur in the best way possible — by beating them.

Koch's latest yacht, *Jayhawk*, which was launched barely a week before the championship, overturned a 10in 43sec deficit three legs from home to win by 32 seconds. *Jayhawk*, which was steered on the downwind legs by John Kosteki, the Soling world champion, aged 26, gained the measure of the Japanese on the final beat, then swooped on the New Zealanders on the run to the finish.

The irony of it all was not lost on Chris Dickson, the New Zealand skipper of Japan's *Nippon* challenge, and Rod Davis, on New Zealand. Davis said: "For a boat to make up 36-second lead like that, two things have to happen. The boat behind has to sail smart and the boat ahead has to make a mistake. Both things happened. It will teach us to look back up the race course more often."

The day's events called another misconception. Racing can be exciting in light winds. Starting in a five-knot breeze, three crews, *Il Moro di Venezia* 3, *Ville de Paris* and Spain '92, put themselves out of the running by aborting the line early. Dennis Conner in *Stars & Stripes* also faltered, taking the wrong side on the first beat, but fought back to take fourth.

It was the final run, however, that suggested the cat. New Zealand performed a gybe set at the weather mark to protect the left-hand side of the course, then

failed to gybe back and cover when *Jayhawk* reached off to the right. It was not quite a copy-book re-run of the 1983 match, but it gave the America's Cup to Australia, but the lesson was the same. Gary Jobson, *Jayhawk*'s jubilant tactician, said: "Our weather experts told us the wind would go right between Japan and Spain. When we were coming up to round it was just about 3pm."

Kosteki said: "There was a lot of local knowledge on that last leg. I'd seen days like this before. We knew there was a shot out there if they let us go on our own."

New Zealand leads the series overall, four points ahead of *Il Moro* 3.

RESULTS: Third race: 1. *Jayhawk* (B Koch, USA); 2. *New Zealand* (R Davis, NZ); 3. *Il Moro di Venezia* 3 (D Conner, USA); 4. *Stars & Stripes* (D Conner, USA); 5. *Ville de Paris* (D Conner, USA); 6. *Il Moro di Venezia* 3 (D Conner, USA); 7. *Il Moro di Venezia* 3 (D Conner, USA); 8. *Il Moro di Venezia* 3 (D Conner, USA); 9. *Il Moro di Venezia* 3 (D Conner, USA); 10. *Il Moro di Venezia* 3 (D Conner, USA); 11. *Il Moro di Venezia* 3 (D Conner, USA); 12. *Il Moro di Venezia* 3 (D Conner, USA); 13. *Il Moro di Venezia* 3 (D Conner, USA); 14. *Il Moro di Venezia* 3 (D Conner, USA); 15. *Il Moro di Venezia* 3 (D Conner, USA); 16. *Il Moro di Venezia* 3 (D Conner, USA); 17. *Il Moro di Venezia* 3 (D Conner, USA); 18. *Il Moro di Venezia* 3 (D Conner, USA); 19. *Il Moro di Venezia* 3 (D Conner, USA); 20. *Il Moro di Venezia* 3 (D Conner, USA); 21. *Il Moro di Venezia* 3 (D Conner, USA); 22. *Il Moro di Venezia* 3 (D Conner, USA); 23. *Il Moro di Venezia* 3 (D Conner, USA); 24. *Il Moro di Venezia* 3 (D Conner, USA); 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Figure 1 is a line graph showing the percentage of the total sample for each age group across different years. The Y-axis represents the 'PERCENTAGE OF TOTAL SAMPLE' from 0 to 100. The X-axis represents the 'YEAR' from 1970 to 2020. The legend identifies eight age groups: 0-14, 15-24, 25-34, 35-44, 45-54, 55-64, 65-74, and 75+. The 0-14 age group shows a steady decline from approximately 15% in 1970 to 5% in 2020. The 15-24 age group peaks at approximately 15% in 1980 and declines to 5% in 2020. The 25-34 age group peaks at approximately 15% in 1990 and declines to 5% in 2020. The 35-44 age group peaks at approximately 15% in 2000 and declines to 5% in 2020. The 45-54 age group peaks at approximately 15% in 2010 and declines to 5% in 2020. The 55-64 age group peaks at approximately 15% in 2020. The 65-74 age group peaks at approximately 15% in 2020. The 75+ age group peaks at approximately 15% in 2020.

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Lancashire batsmen flourish as Sussex are found wanting in Benson and Hedges Cup

Fowler flows to one-day record

By RICHARD STREETON

OLD TRAFFORD (Sussex won toss; Lancashire (2pts) beat Sussex by 123 runs

ALL the steely resolve that makes the present Lancashire side so successful in one-day cricket came to the fore yesterday as they amassed a record 330 for four in this Benson and Hedges Cup match. Graeme Fowler, with 136, led the way as the batsmen made irrelevant the harsh reality in the group run-rate tables that Lancashire, the holders, had to win to put a quarter-final place beyond doubt.

Sussex had five first-team choices absent with injuries for this first meeting between the teams in the competition, but would always have found it hard to have contained Lancashire in this mood. Atherton (91) helped Fowler to add 168 in 30 overs for the second wicket before Fairbrother, with a licence to improvise, made a brilliant 50 in 21 balls.

Faced with a hopeless task, Sussex received a brisk start from Smith and Hall before Wasim Akram had Smith leg-before, the first of four wickets he claimed. Speight steered a catch to second slip, Wells was held sweeping, and after this only Hall and Greenfield stayed long. Hall survived two chances as he looked for runs before he was caught at mid-wicket.

Lancashire's total was their highest in the competition, beating the 317 for five they made against Scotland in 1988. It was also only one run short of the 331 for five that Surrey scored against Hampshire last year, which remains the highest Benson and Hedges total in a game between two counties.

A measure of Fowler's sustained dominance was that he finished with the highest score of any Lancashire batsman in a limited-overs match, bettering the 134 not out that Clive Lloyd made 21 years ago in a Sunday league game.

He and Mendis have consistently given Lancashire a good start this season and Sussex quickly knew they were going

to struggle and after rain delayed the start for an hour, there was no help from a weak attack from a grassless pitch on an overcast morning.

Adrian Jones (groin strain) was a late withdrawal and his replacement, Edward Giddins, aged 19, a newcomer from Eastbourne, had a harsh introduction to this level. The Sussex seamers all suffered in turn and Salisbury was the only bowler to escape heavy punishment.

Salisbury ended the first-wicket stand at 84 when Mendis misread a top-spinner and it was a little while before Atherton found his touch. A change of bat, though, unlocked his strokes, and neither batsman gave a chance as their stand progressed with a flow of forceful strokes. Fowler occasionally lifted the ball, not least over the slip area, but he drove and pulled with great certainty.

Several of Atherton's nine fours came from with perfectly-timed drives which beat deep extra cover and long-off and were made with a full swing of the bat. They were brilliant strokes. He was second out at 252 in the 49th over when he mistimed a short-armed pull and was caught at wide mid-on.

There was no respite when Fairbrother arrived until Sussex took two wickets in the penultimate over. Fowler, who hit three leg-side sixes and 11 fours, had faced 153 balls when he was caught behind as he made room. Fairbrother lifted a catch to deep mid-wicket after hitting a six and six fours.

Mike Turner, the Leicestershire chief executive, is urging all counties to support a proposal to split the Refuge Assurance Sunday League into two divisions. The proposal will be voted on at next week's meeting of the TCCB.

The Sri Lankans will play a Richmond CC XI at Old Deer Park, Surrey, on July 21, as part of their warm-up before starting on their first-class tour of England.



Looking to a new standard: Fowler on his way to 136 in the Benson and Hedges game at Old Trafford yesterday

Captains set the standard

By ALAN LEE, CRICKET CORRESPONDENT

CARDIFF (Glamorgan won toss; Yorkshire (2pts) beat Glamorgan

BOTH captains made immaculate centuries at Sophia Gardens yesterday but, while Alan Butcher's first in the Benson and Hedges Cup was largely unsupported, Martyn Moxon's was the feature of a double-century stand with Ashley Metcalfe which means that Yorkshire, not Glamorgan, will enter the quarter-final draw.

In a game with the simplicity of straight knock-out, Glamorgan's 235, on a perfect pitch, was mocked by the Yorkshire openers, who maintained a rate of almost five runs an over to complete a rain-interrupted match.

Butcher's career has undergone a renaissance since, as an unrepentant Englishman, he has taken the role of captain from the club captaincy from Hugh Morris at a time when Glamorgan patrons were still militating for a property Welsh side. He exercised his preference

for setting a target yesterday and his batting was soon indicating that this was a very good pitch or that Jarvis, in particular, was bowling poorly.

Jarvis, still intent on leaving Yorkshire after this season, is bowling for attention in the shop window and was by all accounts impressively quick in Saturday's embarrassment of Hampshire. Here, in straining for speed he sacrificed control, and Butcher punished him.

That Glamorgan did not entirely slip the leash was due first to Sidebottom, still a canny one-day operator, and then to a man half his age, the off spinner, Jeremy Batty.

For a teenager having only his second bowl in a county one-day match, Batty's use of flight and variety was pleasing. He bowled Morris and, after both he and Shastri had fallen to impatient shots against Fletcher, separated by a 100-minute break for rain, he earned the headstrong Maynard.

Butcher had now lost his two aggressors in rapid succession and had to shoulder still more responsibility. He did it capably, as ever, adding 89 in 13 overs with Holmes and playing the shot of the day, a lofted straight drive off Harley, before miscuing a full toss to cover next ball.

His 127 came from 147 balls and was flawed only when he took his eyes off two lifting deliveries of the type he would not easily escape in the still unlikely event of being awarded a second Test cap this summer.

For all their captain's efforts, Moxon and Metcalfe, a pair with the class but not the consistency of Butcher and Morris, launched the reply at four runs an over and made it clear they felt the job could still be done in a day.

Moxon's timing was exquisite against bowling too short to threaten. When he plays like this one wonders why, like so many others who have had the chance, he never quite loved the part in Test cricket.

Nowhere were slide rules and calculators more in evidence than at the Oval, where Warwickshire were held to 184 for seven by Surrey, who were badly handicapped when Waugh

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Surrey just lose run chase

By GEOFFREY WHEELER

Younis had to limp off after turning an ankle.

This left Surrey needing to win the match in 23.2 overs to deprive Warwickshire of a place in the last eight and a spirited effort they made. Darren Bicknell, down the order, hit 50 from 34 balls as Surrey reached 171 for seven before running out of overs.

Rickard's half-century was far from the fastest of the day. Matthew Fleming, of Kent, needed only 19 balls against Scotland in Glasgow, hitting four sixes off successive balls from Jerry Moor.

Neil Fairbrother, the acting Lancashire captain, made 50 from 21 balls as the holders, the team with a 100 per cent record in the qualifying stages, made 330 for four against Sussex.

Ian Salisbury, the Sussex leg spinner, conceded only 33 runs in his 11 overs while equally containing was another member of this dying breed, Kim Barnett, the Derbyshire captain, who allowed no more than 34 runs from his full allocation of overs as Gloucestershire were restricted to 224 for nine.

Minor Counties bowlers were harshly treated by Paul Johnson who made a century from 75 deliveries as Nottinghamshire amassed 279 for five at Trent Bridge. Nick Pollard completed a splendid century, from 132

Flaming 130-25-1; C. Cochrane 51-17-2; Umpires: H D Bird and P Palmer.

Essex v Somerset

Essex (2pts) beat Somerset

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SWIMMING

Pickering pays for breaking step with team

By CRAIG LORD

THE exclusion of Karen Pickering from the England team on grounds of fitness a week before she clocked the second fastest 100 metres freestyle time (55.6sec) in the world this year highlights the main snubbing block for national squad placement.

Pickering was left off the team after her absence from the entire world cup series, from which the national squad was chosen. At the same time, Caroline Foot, one of the country's leading butterfly swimmers, has been included on the team, despite having told selectors in February that she would be taking a break from the sport until July.

Dave Champion, coach to Ipswich, and Pickering have also opted not to attend a national training camp at Canet, southern France. Champion believes Pickering has become Britain's leading woman freestyle because of "the work she's done at home with me, not on some training camp or national programme which doesn't fit in with our work".

Pickering wrote to selectors, giving information about her training and fitness as requested. She said: "When I called to ask why they had ignored my letter, Derek Stubbs (director of swimming for England) implied I was being penalized for not swimming in the world cup and going on the training camp. Between the lot of them, they don't seem to know what's going on."

However, Terry Denison, the national coach, denied Pickering had been penalized in that way. "She had seven choices of winter meets and the one she was going to swim the world cup was because of injury. I cannot see any valid reason why any of our top swimmers should not want to attend Canet, although I understand that Dave and Karen have their own programme, which I respect."

Denison, who coaches Adrian Moorhouse, the Olympic champion, at Leeds, said the issue highlighted the problem of getting people to support a national team programme. "We are not an entirely trusted by coaches, who see us, rival club coaches, as a direct threat," he said.

The issue has implications for the planned post of technical director of swimming for Britain. The Sports Council is considering funding it. Denison said: "I don't see the job as a penance for all this, but it will be better than the current situation. A director would not be such a direct threat."

SPORT FOR THE DISABLED

Harrison excels in tricky winds

By JANE WYATT

THOSE handy souls who braved the biting northerlies during the Kielder regatta in Northumbria could be excused for thinking that the yachting season had begun too early this year. The gusty and variable winds, reaching force six at times, provided ideal conditions, however, for Ian Harrison to show his expertise with the Sunbird.

The Leicester man won all five of the series' races sponsored by Northumbrian Water, and was forced into second place only in the final event, the Calvert Trophy, by Alan Smith, of Wakefield. Overall, Harrison took first place, Smith second, Derek Cusson third and Stuart Skedge fourth.

Harrison is waiting on a decision as to whether sailing will be a demonstration event at next year's Paralympics in Barcelona. If it is, then Kielder will count as a qualifier.

A bonus for the competitors at Kielder was the advice given by John Derbyshire, the former Olympic helmsman and Royal Yachting Association coach. He

GOLF

Champion unable to defend

By PATRICIA DAVIES

SHARON Roberts, the left-handed from Llandudno, Maesdu, will not be defending her Welsh women's championship next week because the Royal and Ancient Golf Club of St Andrews has withdrawn her amateur status.

Roberts, aged 26 and an international since 1983, had been offered a job as an assistant teaching professional in Singapore and, after applying for a work permit, wrote to the R and A asking for guidance. It wrote back telling her she had forfeited her amateur status and Roberts found herself embroiled on a professional career rather than the one she had intended.

"I'm disappointed about not being able to play in the championship because it will be several weeks before I can go to Singapore, but that's the way it is," Roberts, who has won the title three times, said. "I knew it would take six or eight weeks for a work permit to come through, so I wrote to the R and A asking them what my position was with regard to playing in the Welsh championship. I was disappointed when I got the letter telling me they were withdrawing my amateur status immediately, but I have to look to the future and the offer was too good to refuse."

John Glover, of the R and A, said: "We really did not have much choice when Sharon wrote to us informing us about the job. She virtually forfeited her amateur status with the letter."

BADMINTON

Frost the mentor for Hall

From RICHARD EATON IN COPENHAGEN

DARREN Hall reached the third round of the world championships here yesterday and then acquired formidable assistance in his attempt to make further progress.

The English national champion said after his 15-8, 15-2 victory over the Canadian international, Andrew Muir, that Morten Frost would be in his corner from now on.

The legendary Dane announced his retirement from singles after his surprise first round defeat.

Hall, who showed few signs of his back problems, should be better mentally for the presence of the four-times former all-England champion, who had agreed to take on the task when he was not in contention himself. "I don't think Morten would stop at me," Hall said. "It will certainly help me."

CYCLING

Boardman declines

CHRIS Boardman's victory against the full force of British professionals in the Tour of Lancashire, over the bank holiday, makes the amateur national champion a natural choice for one of two home squads in this month's Milk Race, selections for which will be made this week (Peter Bryson writes).

But Boardman has opted, instead, for Britain's team in the nine-day Olympia tour of The Netherlands, starting on May 18 and ending on the opening day of the Milk Race, May 26. He sees the continental race,

سكيا من الامم

The title is Arsenal's answer to the cynics

By STUART JONES
FOOTBALL CORRESPONDENT

THE Football League title this season carries a stamp of authenticity which was missing when Arsenal last claimed it. Two years ago their triumph, though achieved amid unprecedented drama when Michael Thomas scored the decisive goal in the closing minute at Anfield, was overshadowed inevitably by the tragedy at Hillsborough.

Liverpool were then perceived as the victims of grotesque misfortune. Profoundly affected by the events in Sheffield, they properly postponed their programme and were subsequently compelled to complete it by playing almost every other day. But for the mental and physical fatigue involved, they might have collected the dou-

ble. On this occasion it is Arsenal who have responded to adversity. The deduction of two League points, a punishment imposed by the Football Association after the publicised brawl at Old Trafford, provoked David O'Leary to suggest that the championship had effectively been handed to Liverpool. In reacting emotionally, he underestimated the one decisive quality which has bound his colleagues.

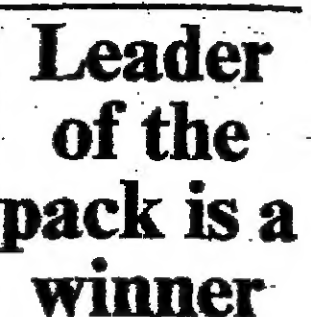
Arsenal have been accused of being bland and colourless. Compared to the likes of Manchester United and Tottenham Hotspur, other powerful clubs who have reached the finals of domestic knock-out competitions, they rely on collective organisation rather than individual brilliance. George Graham has a sim-

ple response to the criticism. The first division is won these days by the side that can best cope with the most demanding programme in Europe. Flashes of inspiration may illuminate a Cup run. Champions need, above all, to be resilient. That has been Arsenal's greatest asset.

Their reaction to their 6-2 defeat by Manchester United in the Rumbelows Cup, their heaviest home defeat for 70 years, was highly significant. Indeed, on reflection, it was the turning point of the championship. A mere four days later Liverpool, adopting a surprisingly subservient posture, yielded feebly at Hillsborough.

Arsenal, in winning 3-0, closed the gap to three points and established themselves as more than relentless pursuers. That afternoon they were seen as genuine contenders. The imprisonment of their captain, Tony Adams, might have extinguished their spirit. Instead it fuelled it. Their defence, the traditional foundation stone of any potential champions, continued to protect a record spoiled only by Chelsea at Stamford Bridge. The one defeat stands as the lone blot in 37 games.

Anders Limpar, the one foreigner in their line-up, indicated during the Makina tournament before the start of the season that he would be their brightest spark. He has more than compensated for the loss of David Rocastle, whose contribution was impaired by injury, until the Swede himself was wounded.



Graham's vision, page 39 O'Leary: had to eat words

Villa think again on England midfielder

Bari are made to wait to hear Platt's decision

By CLIVE WHITE AND CHRIS MOORE

IF THE confidence of Vincenzo Matarrese, the Bari president, is to be believed, Paul Gascoigne may not be the only Englishman exporting his outstanding talent to Italy next season. David Platt, his England colleague, who visited Bari over the weekend, would appear to be bound for the continental, too, according to Matarrese, who said yesterday: "It's a promise of marriage, but we haven't had the ceremony yet."

The Aston Villa player was insistent that no decision had yet been made but that he would give the Italians his answer in the next few days to the offer which would make him a millionaire in a hurry. Bari have bid £4.7m for the midfielder, who caught the attention of the Italian public in last year's World Cup finals, though the final package will cost them considerably more than that, possibly more than £7m.

"I am at the most important phase of my career," Platt said. "I want to consider the situation carefully and I will let Bari know my decision in the next few days. I have always said I would like to move to Italy eventually, de-

spite the chairman and manager [of Villa] trying to persuade me otherwise." Bari have been so taken by Platt as a player and an individual that they propose to build a team around him in keeping with their magnificent stadium where, coincidentally, Platt scored a superb headed goal in England's 2-1 defeat by Italy for third place in last year's Italian finals.

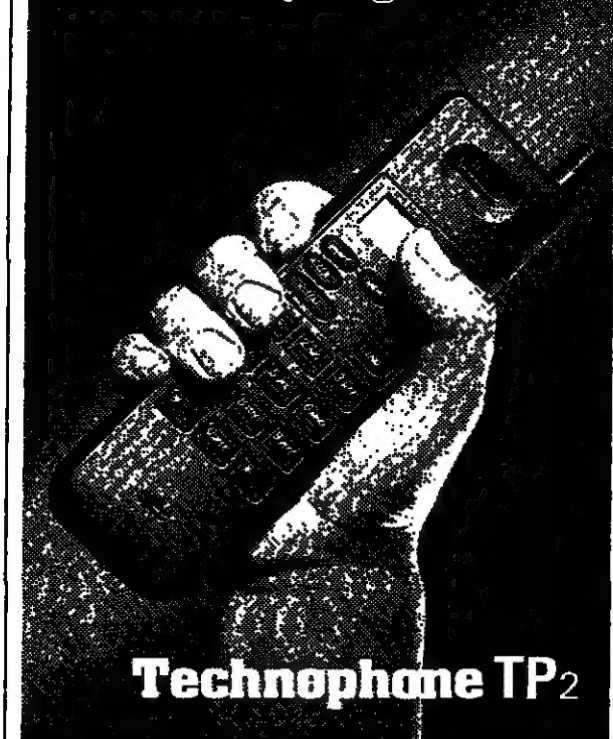
Platt, who was given permission by Doug Ellis, the Villa chairman, to make his flying four-hour visit to southern Italy on Monday, said: "The financial package is typically Italian. It would make me a millionaire overnight, but money has never motivated me. My decision will be a football one."

It would appear that Villa's abysmal season in the first division — relegation has still to be avoided — has prompted them to reconsider their decision to keep Platt at all costs. It is thought that the money they would receive for Platt, who still has two years of his contract to run, would enable them to rebuild.

Ellis admitted that they had succumbed to pressure in allowing Platt to visit Bari for transfer talks. "During the past few weeks the manager and I have considered the intensity of pressure by Bari towards David Platt," Ellis said in a statement.

"Their president, general manager and lawyers have spent several days on three separate occasions in Birmingham, and until Sunday we have sent them away empty-handed, refusing to sell David. "Knowing David was having private lessons to learn Italian, his close advisor, Tony Stephens, told me some three weeks ago how much David would like to go to Italy this summer. So on Sunday I asked David point blank what he wanted. He replied that he would like permission to visit Italy to talk to Bari without any obligation." Ellis added that they agreed reluctantly and were now "awaiting the outcome".

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Neale's cup tactics succeed

By IVO TENNANT

NORTHAMPTON (Worcestershire won last): Northamptonshire (two points) beat Worcestershire by 75 runs. THIS was as much a victory for Worcestershire as it was for Northamptonshire, who qualified for the Benson and Hedges quarter-finals. Phil Neale, sensing at tea that his side would most probably not win, settled for making the required runs, 161, to maintain a superior run rate and hence come top of group A.

This was the upshot of losing their first five wickets for 65, all the likely match-winners among them. It mattered little to Worcestershire now whether they won or lost so long as they ensured themselves a quarter-final at Worcester.

So the vital session was rather anti-climactic after what had gone before. Neale's first over, bowled as he attempted to make room for something extravagant, Neale revised his tactics. Since he was at the crease, he was ideally placed to do so. When Worcestershire reached their revised target in the 52nd over, he was still there, as indeed he was at the end.

Yet Northamptonshire had seemingly fallen 30 or even 40 runs short of a decent total, taking into account the form of Moody and Curtis. Given a start of 132-1 after 34 overs, a score of 248-9 was unexceptional. Fordham, dropped at gully when on 11, scored neatly all round the wicket in making 70 off 104 balls. He won the Gold Award for the second time in four days. There was a half-century, too, by Bailey, who was never quite at his most dominant. Neither were Lamb nor Capel, who both went to catches in the deep.

Cook's first over, bowled as he attempted to make room for something extravagant, Neale revised his tactics. Since he was at the crease, he was ideally placed to do so. When Worcestershire reached their revised target in the 52nd over, he was still there, as indeed he was at the end.

Television deal may affect sponsors

By PETER BALL

WITH the races for promotion and play-off places reaching a climax, Granada Television will show a football programme tonight. Nothing exceptional about that, perhaps, for midweek edited highlights programmes have been the staple diet of programming since regular football coverage began more than 30 years ago.

But, since the new year, there has been one big difference. The programme, which tonight will feature Barclays League matches, is sponsored by Rumbelows, which also sponsors the League Cup, which in turn has provided the material for the majority, but not all, of Granada's midweek programmes this season.

As anyone who watches *The Match* on a Sunday afternoon will know, Barclays enjoys healthy coverage for its £7 million sponsorship of the Football League. Yet, since the Rumbelows sponsorship began under the new Independent Television Commission guidelines encouraging programme sponsorship, which is what the ITC seems to be encouraging, John Watt, Barclays' media adviser, said: "If TV goes crazy in that direction, it is going to make sponsors think twice."

Things could have been worse. Under the original ITC guidelines, the event sponsors would have been totally submerged, but after representations by leading sponsorship agents, ITC revised its rules to allow for credits for the event sponsor, as in the past.

The extent of the threat to sports sponsorship will depend on how both sports and the television companies decide to handle the matter. ITV has not made *The Match*, its flagship programme, available for sponsorship for fear of undermining Barclays' sponsorship, while athletics has protection for its leading sponsors written into its new television contract.

"We were very careful at the renewal of our contract to insist that there would not be any clash between our own sponsors and any potential programme sponsor," Tony Ward, secretary of the BAAB, said. "I can foresee a change coming over TV sport over the next three to five years. In the future, we may well end up having to pay companies to televise events."

EC denies blame for the end of Eurosport

BRUSSELS (Reuters) — The European Commission said yesterday it was not to blame for the end of Eurosport, the satellite sports television channel which went off the air yesterday.

Eurosport, which broadcast sports events to 500 million viewers in Europe 24 hours a day, said it had failed to find new partners to take up Sky Television's share in the channel before the deadline set by the European Community's executive body. The Commission said it had been talking with Eurosport about its future after banning its links with Sky, but had not been told the station would cease broadcasting.

[The Commission] remains ready to continue fur-